Capital Project Orientation

October 29-30, 2013
December 3-4, 2013
UNC General Administration
Capital Project Orientation  
UNC General Administration, Board Room  
910 Raleigh Road, Chapel Hill, NC  
October 29-30, 2013  
December 3-4, 2013

Day 1

1:00 p.m. Welcome and Introductions

Capital Project Overview

1:15 p.m. The Budget Process (Tab 2)

The Capital Project Process (Tab 3)

The Players (Tab 4)

3:00 p.m. Break

The Rules of the Game (Tab 5)

The Process in Detail

3:15 p.m. Budget and Scope (Tab 6)

3:30 p.m. Designer Selection and Contracting (Tab 7)

Design Review (Tab 7)

5:00 p.m. Adjourn

Day 2

8:30 a.m. Construction Prequalifying, Bidding, and Award (Tab 8)

Construction Manager at Risk (Tab 9)

Performance Contracting (Tab 9)

10:00 a.m. Break
10:15 a.m.  Informals  (Tab 9)
            Historically Underutilized Businesses (HUB)  (Tab 10)
12:00 noon  Lunch (Boxed lunches provided)
12:30 p.m.  Construction Administration  (Tab 11)
            Change Orders, Retainage
            Building Commissioning  (Tab 11)
            Claims, Disputes, Mediation
            Project Completion, Final Inspections, Evaluations
2:30 p.m.   Break
2:45 p.m.   Close-out  (Tab 12)
            Legislative Update  (Handout)

**Getting the Big Picture, Getting Help**

- Miscellaneous/What ifs  (Tab 13)
- Contacts  (Tab 14)
- Web Sites  (Tab 14)
- Forms  (Tab 15)
- Questions

5:00 p.m.  Adjourn formal program

(Staff will continue to be available for any additional questions)
Definitions

Capital Improvement – Under General Statute Chapter 143 State Departments, Institutions, and Commissions, Article 8B: “‘State capital improvement project’ means the construction of and any alteration, renovation, or addition to State buildings, as defined in G.S. 143-336, for which State funds, as defined in G.S. 143C-1-1, are used and which is required by G.S. 143-129 to be publicly advertised.” (G.S. 143-135.27).

“State buildings” means all State buildings, utilities, and other property developments except the State Legislative Building, railroads, highway structures, and bridge structures. (G.S. 143-336)

“State funds’ means ‘Any moneys including federal funds deposited in the State treasury except moneys deposited in a trust fund or agency fund as described in G.S. 143C-1-3.’” (G.S. 143C-1-1(d) (25))

Under General Statute Chapter 143C, State Budget Act, Article 1: “Capital improvement. – A term that includes real property acquisition, new construction or rehabilitation of existing facilities, and repairs and renovations.”

“Capital Projects Funds” means “financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds or in trust funds for individuals, private organizations, or other governments. Capital outlays financed from general obligation bond proceeds should be accounted for through a capital projects fund.” (G.S. 143C-1-3)

Capital Improvement Funding Categories

- Appropriations/Bonds – funding authorized by legislation with funds provided by the State for specific projects.

- COPS – funding authorized by legislation with funds provided by borrowing under a “Certificates of Participation” debt mechanism. COPS funding may be for specific projects or for repairs and renovations.

- Repairs and Renovations – funding authorized by legislation with funds provided by the State based on a designated formula for repairs and renovations necessary to maintain the existing use of existing facilities. The distribution of these funds among campuses is based on a model approved by the UNC Board of Governors.

- Self-liquidating – funding authorized by legislation for specific projects with funds provided from proceeds generated from the sale of goods or services, such as Housing, Bookstore, Dining, Athletics, etc. The term “self-liquidating” is generally used to refer to debt which will be retired from these proceeds, rather than cash proceeds from sales.

- Non-General – funds that are not from State appropriated or debt sources, such as cash-on-hand from the sale of goods or services as noted above, donations, gifts, grants, insurance, federal funds, etc. In some cases, more specific terminology may be used to specify the source of the non-general funds (for example “Grants” or a named grant such as “Monsanto Grant”).

2
Capital Improvement Project Dollar Thresholds

- <$500,000 – “Informal” projects - These projects require some form of competition in order to contract for construction, but do not require formal bidding as described in G.S. 143-129. Construction contracts under $30,000 may be awarded without competitive processes. The State Construction Office is responsible for project review for compliance with the North Carolina Building Code and electrical inspections. The local campus is the awarding authority for these projects.

  “Formal” projects (both of the following categories are formal projects)

- Between $500,000 and $2,000,000 – “Download” projects, based on legislation first passed in 1997 that downloaded responsibility for projects to the institutional level from State Construction. State Construction has responsibility for code compliance review, electrical inspections, and final inspection. UNC-General Administration is the awarding authority.

- >$2,000,000 – Projects that require State Construction Office involvement, including technical reviews for constructability, maintainability, building code compliance and compliance with other statutes such as energy/sustainability. State Construction is the awarding authority, monitors project progress, performs electrical inspections, final inspection and acceptance.

Chancellor Approved Projects <$1M (GS 116-13.1)

In the 2011 legislative session, Chancellors were given the authority to approve the expenditure of available operating funds up to $1M for repairs, renovations, maintenance, and related equipment purchases. Provided the funds were contractually obligated, they would not revert to the State’s general fund at fiscal year-end. These projects must “in all other respects accord with applicable laws governing capital improvement projects.”

A graphical representation of the categories to further aid in understanding follows.
Budget Cycle Overview

Elections – Fall (November) of even-numbered years
Term of Office – 2 years
Elected Officials – Take office the following January and may only commit State appropriations for a two-year period and so develop the budget on this basis, a biennial budget. Borrowed funds (such as COPS) may involve commitments beyond this two-year period, but the legislature still addresses these requirements within a biennial budget cycle.

The Board of Governors has budget approval responsibility for UNC and so has to submit budgets to meet the legislature’s schedule. Items shown in brackets [ ] below indicate how this activity intersperses with the legislature’s actions. The Governor’s Office must approve the budget before the legislature takes action on it. These activities are shown in ( )

2012 August  
[UNC-GA requests 2013-2015 capital budgets from institutions. This request may be as early as March.] See Budget Memo #2 dated 8/22/2012.

2012 November  
**Elections**
[Board of Governors approves UNC 2013-2015 capital budget for submission. In a typical cycle, this is usually October or November.]

2012 December  
(Governor approves State budget submission)

2013 January  
Legislators convene (the “long” session); consider budget, among other matters

2013 Feb – July  
Legislators hold committee hearings on budget

2013 July  
Legislators take final action on the budget, including non-appropriated (self-liquidating/non-general fund) budget items.

2013 July – September  

2014 August  
[UNC-GA requests 2015-2017 capital budgets from institutions. This request may be as early as March.]

2014 May  
Legislators convene (the “short” session); consider 2013-2015 budget revisions, among other matters.

2014 July  
Budget #2 – 2013-2015, revised budget certification for second year of current budget by State Budget Office.

2014 November  
**Elections**
[Board of Governors approves UNC 2015-2017 capital budget for submission.]
Projects <$2M (SCO involvement limited to code compliance review only, electrical/final inspections)  SCO Projects

Notes:
1. Project authority is based on the overall project budget, including design, construction, contingency, etc. Construction bidding thresholds are based on project construction cost alone.
2. Land acquisition is, itself, a capital project.
3. See separate procedures for "Emergency" project designation.
*Except for Chancellor approved projects <$1M. See separate procedures for these projects. Reference GS161-13.1(c). See also UNC Policy Manual 600.1.1.
**Refer to "UNC Designer Selection Procedures for Projects <$500,000 (Interim Guidance Pending State Building Commission Procedure Development)."

MDT 10/14/2013
Three Components of the Biennial Budget

I. **The Capital Budget** – Real property acquisitions, new construction, rehabilitation of existing facilities, and repairs and renovations are defined as capital budget items. “The establishment of a capital improvement project requires approval of the General Assembly regardless of funding source.” (Reference State Budget Manual, Page 90, 1/1/2013 update.)

The capital budget includes:

a. University-Wide Improvements – 6 year plan
b. Repairs and Renovations – amount based on formula, first a place-holder list is submitted, then a final “approved” project list
c. Self-Liquidating – must have project “approved” even though funded with receipts from operations (Housing, Bookstore, Athletics, etc.), grants, gifts, etc.

“Requests to establish capital projects must be submitted through the biennial capital budget process. In the following circumstances, the Director of the Budget may authorize capital improvement projects outside of the biennial budget process:

* To address an emergency that threatens public health and safety;
* For a state agency advance planning project;
* For a university project funded entirely from non-General Fund sources and after consultation with the Joint Legislative Commission on Governmental Operations.”

In addition, the State Budget Manual indicates:

“The transfer of funds between capital and operating budgets is prohibited. However, departments are allowed to make expenditures in their operating budget for repairs, maintenance and equipment purchases less than $100,000.” (Reference State Budget Manual, Page 90, 1/1/2013 update.) Note that legislation permitting Chancellor-approved projects <$1M from operating funds expands this.

II. **The Continuation Budget**

a. Operating Reserves – Funding to operate a new building, request based on standards in spreadsheet model, timing is critical to ensure available funding when a building comes into operation.

b. Other increases over the previous year’s actual expenditures, such as enrollment increases, statutory increases in Social Security, irregularly budgeted items such as costs of accreditation studies, motor vehicle replacements, moving costs, etc. that are not to be continued.

III. **The Expansion Budget** – Addresses the establishment of new or pilot programs and/or expansion of existing programs.

The budget is “certified” by the Office of State Budget and Management. After the budget is certified, code and item numbers are assigned and established in CAPSTAT by UNC-GA. To identify funding that has been authorized prior to budget certification, check the appropriate legislation.
Code/Item Numbers have logic built into the coding structure as indicated in the following example: 40334-301

4 indicates a capital budget item. This number is always the same.

03 indicates the fiscal year the item was established. In this example, fiscal year 2003.

34 is a two-digit code that identifies the institution.

The item number is a sequential number that always begins with 301 for the particular budget year involved. R&R funded items are always item #320, performance contracting is #370. There are now some exceptions to this standard numbering schema, specifically some COPS-funded projects and some residence hall fire safety projects, where the code numbers are no longer consistent with the above description.

MDT
5/20/2013
August 22, 2012

2013-15 BUDGET MEMORANDUM #2 – Capital

TO: The Chancellors
    President, UNC Hospitals

FROM: Charles Perusse

SUBJECT: Preparation of the 2013-15 Capital Budget Priorities

As the process for developing the University’s 2013-15 Budget Priorities begins, it is important to acknowledge that the State of North Carolina expects only modest economic growth over the next several years. Therefore, our recommendations will need to be very focused and in line with the Board of Governors’, the Governor’s and the General Assembly’s priorities. Likewise, as the Board of Governor’s Strategic Planning process continues to evolve, the 2013-15 Budget Priorities will reflect the outcomes of those discussions.

This Budget Memorandum provides instructions for the preparation of the 2013-15 Budget Priorities for Capital Improvements Projects, whether funded from appropriated or non-appropriated sources.

For planning purposes, we expect that the University’s unified budget request will be presented to the Board of Governors at its October and November 2012 meetings.

Six-Year Plan for Appropriated Capital Improvements Projects

Submittal Date: on or before September 12, 2012

For your 2013-2019 Six-Year Appropriated Capital Improvements Plan, we ask that you update and revise your 2011-2017 plan (attached). Allowed changes to your plan include deleting, adding or revising projects to reflect changing priorities. The total dollar amount of your request must be consistent with the total dollar amount of your 2011-2017 request.

If a new project is added please complete and submit the appropriated capital template (attached) for project details and a building operating reserve Model (attached) that will provide an estimate of operating impact.
MEMO TO: Chancellors  
Page Two  
August 22, 2012  

Six-Year Plan for Non-Appropriated Capital Improvements Projects  
Submittal Date: on or before September 19, 2012  

For your 2013-2019 Six-Year Non-Appropriated Capital Improvements Plan, we ask that you update and revise your 2011-2017 plan (attached). Allowed changes to your plan include deleting, adding or revising projects to reflect authorized projects or changing priorities. The total dollar amount of your request must be consistent with the total dollar amount of your 2011-2017 request.  

If a new project is added please complete and submit the non-appropriated capital template (attached) and a building operating reserve Model (attached).  

Six-Year Plan for Repairs and Renovations Projects  
Submittal Date: on or before September 26, 2012  

For your 2013-2019 Six-Year Repairs and Renovations Plan, we ask that you update and revise your 2011-2017 plan (attached). Allowed changes to your plan include deleting, adding or revising projects to reflect funded projects or different priorities. The total dollar amount of your request must be consistent with the total dollar amount of your 2011-2017 request.  

If a new project is added please add the project under the appropriate G.S. 143C-4-3 “type of project” (see below). Please add the "type of project" if not used in 2011-2017.  

G.S.143C-4-3 (b) states:  

Use of Funds – The funds in the Repairs and Renovations Reserve Account shall be used only for the repair and renovation of State facilities and related infrastructure that are supported from the General Fund. Funds from the Repairs and Renovations Reserve Account shall be used only for the following types of projects:  

(1) Roof repairs and replacements;  
(2) Structural repairs;  
(3) Repairs and renovations to meet federal and State standards;  
(4) Repairs to electrical, plumbing, and heating, ventilating, and air-conditioning systems;  
(5) Improvements to meet the requirements of the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., as amended;  
(6) Improvements to meet fire safety needs;  
(7) Improvements to existing facilities for energy efficiency;  
(8) Improvements to remove asbestos, lead paint, and other contaminants, including the removal and replacement of underground storage tanks;  
(9) Improvements and renovations to improve use of existing space;  
(10) Historical restoration;  
(11) Improvements to roads, walks, drives, utilities infrastructure; and  
(12) Drainage and landscape improvements.  

Funds from the Repairs and Renovations Reserve Account shall not be used for new construction or the expansion of the building area (sq. ft.) of an existing facility unless required in order to comply with federal or State codes or standards.
MEMO TO: Chancellors  
Page Three  
August 22, 2012

If you have any questions regarding this request, please contact Terrance Feravich at (919) 962-4611 or by email at feravich@northcarolina.edu.

Please email your submissions to jrose@northcarolina.edu, kcrosson@northcarolina.edu, and feravich@northcarolina.edu.

This is the second of a series of budget memoranda that will address multiple components of the 2013-15 Budget Priorities. The first memo addressed the continuation budget process. Additional memos will address other operating budget processes. I look forward to working with each of you and your staffs to compile a budget request that can be successful with the Governor and General Assembly in 2013.

Attachments

cc: Chief Academic Officers  
Chief Finance Officers  
Chief Facilities Officers  
Capital Project Coordinators  
Legislative Liaisons  
Ms. Jennifer Hoffmann, OSBM
The University of North Carolina  
Request for New or Increase in Capital Improvement Project

Institution: ______________________________________________________ Advance Planning Request: ______
New Capital Project*: ______

Increase in Authorization from: $_______ to $_______

Project Title: ______________________________________________________

Project Cost: ______________________________________________________

Source of Funds: ___________________________________________________

*If this project has previously had advance planning authority, please identify code/item number under which that authority is carried. Code__________ Item _____

For each advance planning project or capital construction project, please provide the following:

1. A detailed project description and justification:

2. An estimate of acquisition, planning, design, site development, construction, contingency and other related costs (Answer for capital construction only and include a completed OC-25 form)

3. An estimated schedule of cash flow requirements over the life of the project by FY quarters (Answer for capital construction only):

4. An estimated schedule for the completion of the project:

5. An estimate of maintenance and operating costs and source of funding to support these costs, including personnel, covering the first five years of operation (Answer for capital construction only):

6. An estimate of revenues, if any, likely to be derived from the project, covering the first five years of operation (Answer for capital construction only):

7. An explanation of the means of financing:
August 21, 2012

2013-15 Budget Memorandum – Number 1

TO: The Chancellors
   President, UNC Hospitals

FROM: Charlie Perusse

SUBJECT: Preparation of the 2013-15 Operating Budget Priorities: Continuation Budget

As the process for developing the University’s 2013-15 Budget Priorities begins, it is important to acknowledge that the State of North Carolina expects only modest economic growth over the next several years. Therefore, our recommendations will need to be very focused and in line with the Board of Governors’, the Governor’s and the General Assembly’s priorities. Likewise, as the Board of Governor’s Strategic Planning process continues to evolve, the 2013-15 Budget Priorities will reflect the outcomes of those discussions.

The purpose of this first memorandum is to transmit supplemental instructions unique to the University for the preparation of your 2013-15 continuation budgets. The Office of State Budget and Management (OSBM) has issued instructions for the preparation of the 2013-15 Governor’s Recommended State Budget. If you have not already done so, please obtain copies of these instructions from OSBM’s website using the following address: http://www.osbm.state.nc.us.

For planning purposes, the University’s budget request information is expected to be presented to the Board of Governors at its meetings in October and November. During the next few months, we will work on these items with you and your campus staffs.

The first set of instructions released by OSBM includes detailed guidelines for the preparation of the continuation budget. Since the State has increasingly considered continuation and expansion items together, and G.S. 116-11 also requires that the Board of Governors presents a “single, unified recommended budget for all of the constituent institutions,” General Administration will take a more active role in the preparation of the University’s continuation budget request. Therefore, please follow guidelines in this memo as it pertains to the continuation budget process, including the submission of items to UNC-GA Finance, rather than submitting information directly to OSBM.
There are multiple items discussed in OSBM’s continuation instructions. At this time, the University will focus primarily on the following allowable increases:

1. operating funds for new or renovated facilities (appropriated projects);
2. annualization of programs and positions/removal of nonrecurring items; and
3. enrollment change funds.

The first item that your campus will need to complete and submit to UNC-GA is a request for operating funds for new or substantially renovated facilities. Please review the listing of any new or renovated facilities that are scheduled to come online at your campus during the 2013-15 biennium. To be eligible to request that the State’s General Fund cover the operations of that facility, the determination should be made that the facility serves a State function and that the project was authorized by the State. Generally, if the project was completed using the non-appropriated/self-liquidating process, it will not be eligible for inclusion in the state funds request for operational dollars. (Some special situations may exist, which can be handled individually.) In order to request these operating funds for eligible facilities, please complete the attached building reserve new facility or renovated facility template (as appropriate) and submit to Kristen Crosson (kcrosson@northcarolina.edu) by September 7, 2012. Questions on the building reserve templates may be directed to Kristen or to Ginger Burks.

In regard to the annualization of programs and adjustments for nonrecurring items, UNC-GA will take the lead in working with OSBM to determine applicable items. General Administration staff will coordinate with your CFO and Budget Officers.

UNC-General Administration will also complete a review to determine whether additional requests for other inflationary increase items, such as gasoline, fuel oil, utilities, or library books and periodicals should be requested. After that review is completed, UNC-GA Finance Staff will consult further with the CFOs and budget office staffs to make a determination whether any requests for these items will be included in the University’s budget request. If you have an item that you believe deserves particular attention, please direct that information to Ginger Burks (ginger@northcarolina.edu).

OSBM lists several items as “exceptions” which would only be considered in extreme circumstances. These include requests for replacement of existing equipment and replacement of vehicles. Each campus should critically evaluate whether there is documented evidence of extraordinary conditions or cost drivers that would prevent the maintenance of current operational levels in the next biennium within existing resources. If the determination is made that a request for funding in these areas is justified, the campus should complete the associated required OSBM worksheet and forward that information to UNC-GA (see table on page 3) by September 7, 2012.

This is the first of a series of budget memoranda that will address multiple components of the 2013-15 Budget Priorities. Additional memos will address the enrollment, expansion and capital budget processes. I look forward to working with each of you and your staffs to compile a budget request that can be successful with the Governor and General Assembly in 2013.
For your planning, below is a quick summary of continuation budget items:

<table>
<thead>
<tr>
<th>Continuation Item</th>
<th>OSBM page</th>
<th>FORM</th>
<th>Due to GA</th>
<th>GA Contact(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Funds for New/Renovated Facilities</td>
<td>20</td>
<td>Attached to this memo (UNC form)</td>
<td>9/7/12</td>
<td>Kristen Crosson <a href="mailto:kcrosson@northcarolina.edu">kcrosson@northcarolina.edu</a></td>
</tr>
<tr>
<td>Exception Requests (equipment, vehicles, other non-facility based operating accounts)</td>
<td>20-21, multiple attachments</td>
<td>OSBM attachment</td>
<td>9/7/12</td>
<td>Ginger Burks <a href="mailto:ginger@northcarolina.edu">ginger@northcarolina.edu</a>, Kristen Crosson <a href="mailto:kcrosson@northcarolina.edu">kcrosson@northcarolina.edu</a>, Erin Schwie Langston <a href="mailto:eslangston@northcarolina.edu">eslangston@northcarolina.edu</a></td>
</tr>
<tr>
<td>Facility Based Adjustments (utilities such as water &amp; sewer, electric/natural gas, fuel oil)</td>
<td>20</td>
<td>N/A</td>
<td>Coordinated with each campus as needed</td>
<td>Ginger Burks <a href="mailto:ginger@northcarolina.edu">ginger@northcarolina.edu</a></td>
</tr>
<tr>
<td>Program Adjustments (library books &amp; periodicals, K-12 textbooks, gasoline, etc.)</td>
<td>20</td>
<td>N/A</td>
<td>Coordinated with each campus as needed</td>
<td>Erin Schwie Langston <a href="mailto:eslangston@northcarolina.edu">eslangston@northcarolina.edu</a></td>
</tr>
<tr>
<td>Nonrecurring Items</td>
<td>20</td>
<td>N/A</td>
<td>N/A</td>
<td>Ginger Burks <a href="mailto:ginger@northcarolina.edu">ginger@northcarolina.edu</a></td>
</tr>
<tr>
<td>Annualization of Programs, New Facilities, Salaries</td>
<td>19</td>
<td>N/A</td>
<td>N/A</td>
<td>Ginger Burks <a href="mailto:ginger@northcarolina.edu">ginger@northcarolina.edu</a></td>
</tr>
<tr>
<td>Receipts Adjustments</td>
<td>18-19</td>
<td>N/A (through OSBM)</td>
<td>N/A</td>
<td>OSBM Budget Analyst</td>
</tr>
</tbody>
</table>

**Attachments:**
Instructions and templates for New Building Operating Funds and Operating Funds for Renovated Buildings

cc: Chief Academic Officers  
Chief Finance Officers  
Legislative Liaisons  
Ms. Elizabeth Grovenstein, OSBM
Introduction: These are instructions for filling out the two building reserve templates. One template is for new buildings - UNC System Building Reserve Model for New Buildings; and one template is for renovations - Renovations to Buildings. Please ensure you are using the correct model for your project. Instructions for New Buildings start on page 2 and Instructions for Renovations start on page 12.

Building Reserve funding cannot be requested in the continuation operating budget for buildings that are not supported by the General Fund (such as residence and dining halls). However, campuses also use the templates to project operating costs for non-general fund supported facilities in order to project funds needed for facility operation.

Basic Instructions: Entry is needed only in blue cells. All pink cells are one-time costs, i.e. initial supplies. Green cells are institutional benchmarks set by UNC General Administration. Individual institutions should not modify the spreadsheet other than entry into the blue cells. OSBM requires justification for each cost listed in blue cells. In special cases, where additional items need to be requested, institutions should provide a comprehensive list to support the request.

Model Purpose: This model is designed to establish a funding baseline for operation and maintenance of new buildings, additions, and renovations for UNC institutions. The model uses a select group of parameters that are predictive and representative of the overall resource requirements of new and renovated buildings. The model is a simplification of the actual O&M Budget (i.e. multiple trades and career bands are represented by a single representative title and the OSP market rate). All required input should be reasonably available in advance of construction to allow an accurate forecast of future budget needs. A resource of information is also found in CAPSTAT: http://capstat.gaa.unc.edu/

System information, such as salary rate and position titles are part of the model. Project specific information, such as project GSF and university specific input such as utility cost per GSF must be provided as inputs to the model. There is an expectation that budget flexibility is afforded to each university to adjust the results of the model to meet the needs of different maintenance operations.
New Building Reserve Model Instructions

| Col I Row 1 | Institution: Insert the name of the institution. |
| Col L Row 3 | Attachment: If there is attachment providing further information on your request, please number the attachment. Enter the attachment number. |
| Col E Row 6 | Budget Code: Insert institution’s budget code, the number assigned by OSBM to the institution’s specific physical plant account. See Appendix III for list of Budget Codes by institution. |
| Col E Row 7 | HSBN: Coordinate with campus budget officer to assign a reserve account number. Budget officer will work with an OSBM analyst to determine account number. |
| Col B Row 8 | Building Name: Replace “Generic Building” with the name of the project as indicated in the project authorization. |
| Col G Row 8 | GSFT: Insert Gross Square Feet of the new facility. |
### Col C Row 9: CI Code
Insert CI Code as indicated in CAPSTAT as shown in the screen shot above. If there is no CI Code, OSBM will need further verification that this is an existing CI project. UNC institutions that do not provide a CI code should provide further explanation in the blue box at the end of the template.

### Col F Row 9: CI Code
Insert CI Code as indicated in CAPSTAT as shown in the screen shot above.

### Col E Row 10: Date Construct Authorized
Insert date project budget was authorized by OSBM, as indicated in CAPSTAT.

### Col E Row 11: Est Substantial Completion Date
Insert expected date of substantial completion of the project. OSBM’s practice is to allow a full month of operations funding for buildings opening from the 1st through the 24th of the month. If the building opens on the 25th or later, then OSBM will not grant any funding for that month.

### Col J Row 10: Construction Cost
Insert the capital project authority from CAPSTAT.

### Col J Row 11: Land Release Date
Insert the date the first year funds need to be released in order to meet the Institution’s operating and maintenance protocol. Funds may requested to be released 30, 60, or 90 days prior to beneficial occupancy or substantial completion. **Specific justification for the requested fund release date is required in the “Project Description and Explanation of Special Operating Requirements” section at the bottom of page two of the model.** In general, the explanation will be the lead time for ordering materials and equipment and the time required to establish, recruit, and train staff – but the explanation should be specific to each building. The maximum time for early release of funds is 90 days, but cannot be before the beginning of the fiscal year. For example, if the completion date is August 30th, then early funds release cannot occur before July 1st of that fiscal year.
Col D Row 12 
Insert building type that correlates to building use. Enter a 1, 2, or 3 based on the following chart:

<table>
<thead>
<tr>
<th>Type</th>
<th>Type Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Administrative, Academic, Classroom</td>
</tr>
<tr>
<td>2</td>
<td>Lab/Clinic</td>
</tr>
<tr>
<td>3</td>
<td>Animal Holding/Intensive Lab</td>
</tr>
</tbody>
</table>

Model default is type 1.

Col J:R Row 13 
Insert number of months for each of the next five years based on the expected beneficial occupancy date. The model default is set to zero months.

NOTE: The number of months is based on the substantial completion date not the early funds release date requested. Column J represents the first year of the biennium and Column L is the second year. The first year will likely be less than 12 months, depending on when it will be occupied. The following year will be 12 months. The last three years are used for long range planning.

<table>
<thead>
<tr>
<th>J</th>
<th>K</th>
<th>L</th>
<th>M</th>
<th>N</th>
<th>C</th>
<th>P</th>
<th>C</th>
<th>R</th>
<th>S</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td>12</td>
<td></td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>14</td>
<td>Annual</td>
<td>Annual</td>
<td>Annual</td>
<td>Annual</td>
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<td>Budget</td>
<td>Budget</td>
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</tbody>
</table>

Col D Row 14 
Include the number of smart classrooms in the project. A "smart classroom" is defined as a classroom with built-in audiovisual equipment, including, but not limited to automatic shades, computer and projectors built-in, and/or a 24 hour help desk. The IT Network Technician staff indicated in cell C26 is for maintaining, not operating the equipment in the smart classroom.

Col D Row 15 
Include the number floors in the project.
### Staffing and Fringe Benefits

<table>
<thead>
<tr>
<th>18</th>
<th>180-53200</th>
<th>SRA Pay Salaries</th>
<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
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<td>22</td>
<td>180-53200</td>
<td>SRA Pay Salaries</td>
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</tr>
</tbody>
</table>

There is no input required for the staffing area of the spreadsheet. See Appendix I for information on how staffing and benefits are calculated.

### Supplies

<table>
<thead>
<tr>
<th>31</th>
<th>1180-53300</th>
<th>Moving Supplies</th>
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<th></th>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

There is no input required for the supplies area of the spreadsheet. If See Appendix II for information on how supplies are calculated.
Utilities and Communications

Col D Row 54  Utilities Factor – automatically placed in cell based on the building type (1, 2, or 3). Institutions should only edit this figure if their campuses have metering in place to allow projected cost by building type. Otherwise, the building type will generate the utility factors in the table shown below.

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Factor</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Administrative/Academic/Classroom</td>
<td>1</td>
<td>Average Cost * GSF*1</td>
</tr>
<tr>
<td>2-Lab/Clinic</td>
<td>1.45</td>
<td>Average Cost * GSF*1.45</td>
</tr>
<tr>
<td>3-Animal Holding/Intensive Lab</td>
<td>2.9</td>
<td>Average Cost * GSF*2.9</td>
</tr>
</tbody>
</table>

Col E Row 54  Utilities Cost: In general, the value should be calculated by using the campus’ Continuation Budget utilities total request divided by the GSF represented by that number. If not, the value should be explained.

As with the Utility Factor, only Institutions with extensive metering in place should use a different calculated cost per type of building. If a University specific value by type of building is used, then the utility factor is 1.0. The basis for using a University specific rate by type of building should be explained in row 96 of the model.

Col D Row 55  Stormwater Factor: automatically calculated by dividing the GSF by the number of floors. This figure is used to calculate the cost to maintain the stormwater utility. (Stormwater is currently included in utility expenditures. This cost is highlighted separately since it is based upon cost per impervious surface rather than a cost per GSF).

Col E Row 55  Stormwater Cost: Insert institution-specific cost per impervious square foot. Please ensure the stormwater cost is not included in any current utility costs represented in row 54 of the model to avoid duplicate requests. The cost basis should be explained in row 97 of the model.
No entry is needed for communications. The factor is based on institutional benchmarks and has been updated by UNC General Administration.

**Moving Costs**

Col E Row 60 Moving Costs are a non-recurring institution specific cost that should be estimated for individual buildings. Factors that should be considered includes the number of moves needed, (i.e. moving departments out to a temporary location, then moving departments back) and type of materials being moved (HAZMAT and specialized scientific equipment may result in higher costs).

**Maintenance Contracts**

Col D: E Row 63 Elevator Maintenance: Enter the number of elevators (D61) Enter projected per elevator contract cost of elevator maintenance (E61).

Col E Row 64:65 Pest Control and Refuse Removal: Enter projected contract cost for Pest and Refuse removal for this building, if applicable.

Col E Row 66 Uniforms: Enter the projected contract cost per uniform. The number of employees will fill in D64 based upon the sum of the FTE’s funded for Building Environmental Service Technician (BEST) and Building Environmental Service Supervisor (BESS), Facilities Maintenance Technician Mechanical (FMTM), and Facilities Maintenance Technician Trades (FMTT).

The uniform cost for Police Officers is included in the supplies for that position (See supplies area). It is assumed in the model that IT positions do not wear uniforms.
Col E Row 67  
**Security:** Institution-specific maintenance contracts for security. If maintenance of security systems is provided with in-house staff, include estimated cost of providing these services for this project.

Col E Row 68  
**Controls/Chillers:** Institution-specific costs related to maintenance contracts for Controls, Chillers, and Fire Alarms.

**Insurance**

Col E Row 73  
**Real Property Insurance:** Insert rate from institution’s Insurance and Risk Management Department or NC Department of Insurance for property insurance for this type of building.

Col D Row 74  
No entry is needed in this cell. The number of vehicles is automatically determined by entry into cell D78, see Vehicles and Other Equipment below.

Col E Row 74  
**Vehicle Insurance:** Enter estimated liability insurance rate from institution’s Insurance and Risk Management Department or NC Department of Insurance.

**Vehicles and Other Equipment**

Col D Row 78  
The number of pick-up trucks and vans requested.

Col E Row 78  
Enter estimated total contract cost per vehicle (including tax, title, and tag costs).

Col E Row 79  
No entry is needed in this cell. Other equipment is standardized to include typical start-up equipment for a new building as shown in the table below from Page 2 of the spreadsheet. Equipment is provided per FTE, per building, and based on square footage. Detailed information concerning these costs is listed in Appendix IV.
### UNC System

**Building Reserve Model**

**Instructions – New Building**

**2013-2015**

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>Operating costs</td>
<td></td>
<td>1st Year of Operation</td>
<td>2nd Year of Operation</td>
<td>3rd Year of Operation</td>
<td>4th Year of Operation</td>
</tr>
<tr>
<td>12</td>
<td>Staff (additional annual cost): (include # of additional employees):</td>
<td>634,778</td>
<td>79,100</td>
<td>634,778</td>
<td>79,100</td>
<td>634,778</td>
</tr>
<tr>
<td>13</td>
<td></td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>14</td>
<td>Maintenance (additional annual costs):</td>
<td>85,692</td>
<td>79,100</td>
<td>79,100</td>
<td>79,100</td>
<td>79,100</td>
</tr>
<tr>
<td>15</td>
<td>Other Operating (additional annual costs):</td>
<td>48,145</td>
<td>41,800</td>
<td>41,800</td>
<td>41,800</td>
<td>41,800</td>
</tr>
<tr>
<td>16</td>
<td>Special Equipment-Furnishings</td>
<td>107,148</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>17</td>
<td>Included in Construction Request</td>
<td>875,763</td>
<td>755,678</td>
<td>755,678</td>
<td>755,678</td>
<td>755,678</td>
</tr>
<tr>
<td>18</td>
<td>Total Requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Less Receipts</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Appropriation</td>
<td>875,763</td>
<td>755,678</td>
<td>755,678</td>
<td>755,678</td>
<td>755,678</td>
</tr>
</tbody>
</table>

Col E Row 80

Project specific Other Equipment will vary based on the specific needs of the building and institution. Examples of items that may be included in the above “Other Equipment (Project Specific)” section are: the upfit of the police vehicle, which will vary based on the institution’s policing strategy, and the purchase of a lift to access atrium light fixtures.

### Project Description and Explanation of Special Operating Requirements

**Please provide the information highlighted in blue.**

- For example, instruction, gymnastics/athletics, etc.
- What is the source of funds for the building?
- For example, 1999 appropriation, Year 2000 Bond Issue

Explain each of the following calculations:

- Utilities per square foot
- Stormwater per impervious square foot
- The funds needed for moving costs
- Maintenance contracts - the basis for your figures?
- Insurance costs for real property and vehicles
- The number and type of vehicles for the project - why these are needed
- Fund release date - provide detailed explanation
- Basis for renovation requirements per instructions
- Other equipment requests - why what?

Describe the project, the source of funds, and explain calculations as described in the section on Rows 90:104 of the main building reserve spreadsheet.

The information requested in this section is very important and must be completed. Otherwise, OSBM will need to do a separate follow up to request the information. If a project is a component of a larger and/or a phase of a multi-phase project, you must include information about the entire project on Row 92.
Schedule of construction, repair, etc. requested
This schedule is located on Page 2 of the Worksheet Tabs. The purpose is to summarize operating reserves into a format useful to OSBM.

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>In the space provided below, provide the following information:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Schedule of construction, repair, etc. requested</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Date for Engaging Architect</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Beginning Construction Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Construction Completion Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Occupation Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>01/00/00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Col C Row 5  Date for Engaging Architect: Enter the estimated date for engaging the architect for this project from the CAPSTAT program or obtain the date from your institutional contact.

Col C Row 6  Beginning Construction Date: Enter the estimated Beginning Construction date for this project.

Col C Row 7  Construction Completion Date: Date is fed from Main Building Reserve spreadsheet, Col E Row 11.

Col C Row 8  Occupation Date: Enter the estimated date of occupancy for this facility.
## Operating Costs

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date for Engaging Architect</td>
<td>01/00/00</td>
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</table>

### Operating costs

<table>
<thead>
<tr>
<th></th>
<th>1st Year of Operation</th>
<th>2nd Year of Operation</th>
<th>3rd Year of Operation</th>
<th>4th Year of Operation</th>
<th>5th Year of Operation</th>
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</thead>
<tbody>
<tr>
<td>12</td>
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<td></td>
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<tr>
<td>13</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Staff (additional annual costs)</td>
<td>634,778</td>
<td>634,778</td>
<td>634,778</td>
<td>634,778</td>
</tr>
<tr>
<td>15</td>
<td>(Include # of additional employees)</td>
<td>14</td>
<td>14</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>16</td>
<td>Maintenance (additional annual costs)</td>
<td>79,100</td>
<td>79,100</td>
<td>79,100</td>
<td>79,100</td>
</tr>
<tr>
<td>17</td>
<td>Other Operating (additional annual costs)</td>
<td>41,800</td>
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<td>41,800</td>
<td>41,800</td>
</tr>
<tr>
<td>18</td>
<td>Special Equipment/Furnishings Not Included in Construction Request</td>
<td>107,148</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>19</td>
<td>Total Requirements</td>
<td>875,763</td>
<td>755,678</td>
<td>755,678</td>
<td>755,678</td>
</tr>
<tr>
<td>20</td>
<td>Appropriation</td>
<td>875,763</td>
<td>755,678</td>
<td>755,678</td>
<td>755,678</td>
</tr>
</tbody>
</table>

Data for the summary of the operating costs is fed from the Main Building Operating Reserve worksheet. Entry is needed only if your institution expects to receive other receipts for this building. (Col C:G Row 26)

### Statement rate increase

<table>
<thead>
<tr>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
<th>F</th>
<th>G</th>
<th>H</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td>If operation is supported from receipts give current level of receipts increase in rates if necessary (from ____ to ____ ) and any restrictions on the use of these receipts by federal or state law</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Provide old and new rates if operation is supported by receipts.
Renovation Building Reserve Model Instructions

Renovations are defined as comprehensive in nature, and should include replacement and/or addition of major building systems, HVAC, Controls, Plumbing, Electrical, etc. If a derelict, not occupied prior to the renovation, space will be converted to usable general educational space, please utilize the new building reserve model. OSBM requires specific justification and back-up documentation for any increased and/or new operating costs resulting from a renovation project by line item on the model.

Please use the renovation model spreadsheet. Instructions are:

- Col B Row 8: Enter "RENOVATION" in all caps after the project title to differentiate the use of the model for a renovation.
- Col B Row 85: It is very important to clearly explain the required entries as noted in the instructions in the “Project Description and Explanation of Special Operating Requirements” section.
- The expression “No Change” in these instructions means that the renovation model operates exactly as the basic model for new construction in terms of the results generated and the input required by the model.
- Any model entry not specifically addressed in the instructions in this section uses the standard model instructions for that entry.
- Use project total GSF that is being renovated.
- **Smart Classrooms**, use the number of net new classrooms (could be all, some, or none).

Building Environmental Service Technician (BEST)

J:6  Choose Yes, if the building needs additional housekeepers due to a change in building type (admin converted to lab, storage converted to office) or for other reasons. Choose “No” if no additional housekeepers are required after the renovation.

L:6  If “Yes” was entered in J:6, then enter the percentage of housekeepers needed for the renovated building as a percentage of the total of housekeepers calculated by the basic model for new construction. Enter this information (as a decimal number, for example, to reflect 50%, enter 0.5). This percentage should be the net new amount needed after the renovation is completed.

- **Building Environmental Service Supervisor**, no change, driven by adjusted number of housekeepers.
- **Facility Maintenance Technician Mechanical**, no change, entry is prorated based on the renovation type.
- **Public Safety, EH&S, and IT Infrastructure**, No entry needed, 50% of full value is calculated.
• **Facilities Maintenance Technician Trades**, No entry needed, 60% is used.

• **Shift Differential, Social Security, State Retirement, and Medical Insurance**, no change, values driven by adjusted Staff numbers.

• **Housekeeping Initial Supplies**, No entry needed, zero is the default entry.

• **Housekeeping Regular Supplies**, No entry needed, pro-rated amount is calculated based on the percentage entered in L:6. If “No” is entered into J:6, then supplies will not be calculated.

• **Repair Initial Supplies**, no entry needed, zero is the default entry.

• **Repair Regular Supplies**, No entry needed, 60% is used.

• **Other Supplies**, no change, model calculates based on adjustments above.

• **Utilities**,

  - **J:8** Choose “Yes” if the renovated building was in your cost basis for the next continuation budget. In this case, utility increases will be received through the standard utility continuation budget request.

  Choose, “No” if the building was offline in the entire base year (11-12). The utility cost will be then calculated the same as a new building.

  Choose "Partial" if the building was online for part of the base year (11-12) and enter the number of months the building was offline in L:8. The utility budget request will be calculated to include only the partial year portion which is not part of the institution's total utility continuation budget request.

  • **L:9** Choose “Yes” if the communication systems were replaced during the renovation. The costs will be calculated the same as a new building.

  Choose “No” if the communication systems were not replaced; zero is entered.

• **Moving Costs**, no change, based on institution-specific estimate.

• **Maintenance Contracts**.

  - **Elevators**, use number of additional elevators,
  - **Pest Control**, zero out or explain entry.
  - **Refuse Removal**, zero out or explain entry.
  - **Uniforms**, no change,
  - **Security**, net new for additional systems.
  - **Controls/Chillers/Fire Safety**, net new cost to for additional systems.

• **Insurance**:

  - **Real Property**, zero out or explain,
Vehicles, no change.
- Vehicles, no change.
- Other Equipment, no change.

Special instructions:

**Consolidation of Small Spaces:**

For consolidating groups of small spaces, list space designations and GSF beginning in Col N Row 4. Do not mix new and renovations in the list. Insert the sum in Col G Row 8 and proceed with model. Group only buildings of the same type together.

**Partial Year Activation in 2nd Year of Biennium:**

Projects with a partial second year activation require an additional reserve submission in the next biennium. Remove the one-time costs. The University should then add a line below the reserve total to subtract out the prior year allocation. The remainder is the net budget increase needed to support the buildings recurring operation.
APPENDIX

I. Staffing and Fringe Benefits
These positions are intended to be a reasonable representation of position needs for a new or renovated facility. Budget flexibility should be used to meet the institution specific needs.

The factors that drive the staffing FTEs are the Building Type, GSF, and number of smart classrooms as shown in column E above.

The factors that determine the position market rate and band are based upon University System benchmarks and have been updated by the UNC General Administration prior to distribution of the Model. These factors should not be modified. For reference purposes, these are located in Columns X through AD to the right of the staffing calculations as shown below:

<table>
<thead>
<tr>
<th>14</th>
<th>15</th>
<th>16</th>
<th>17</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>Y</td>
<td>Z</td>
<td>AA</td>
</tr>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
<td>D</td>
</tr>
<tr>
<td>E</td>
<td>F</td>
<td>G</td>
<td>H</td>
</tr>
</tbody>
</table>

II. Supplies
Both recurring and non-recurring supplies are generated by the Building Reserve Model. All cells highlighted in pink are non-recurring items. The cost per unit (GSF, Month, Officer, or Classroom) is defined by using Institutional benchmarks and will be provided by UNC General Administration. These factors should not be changed.

Housekeeping Supplies, Repair Supplies, and IT Supplies for Infrastructure are generated by multiplying pre-determined factors by the GSF of the building. The initial supplies are equal to one-month of annual supplies for all with the exception of IT (Infrastructure) where initial supplies are not funded. The spreadsheet will place the initial supplies in the correct year based on the number of months entered. No entry is needed.

Police Supplies are generated by using the number of officers multiplied by the pre-determined cost for initial and recurring supplies as shown in Column E. No entry is needed.

IT supplies for Classroom Support is generated based on the number of smart classrooms.
### III. Budget Codes by Institution

<table>
<thead>
<tr>
<th>Budget Code</th>
<th>Institution</th>
</tr>
</thead>
<tbody>
<tr>
<td>16010</td>
<td>UNC General Administration, Operating</td>
</tr>
<tr>
<td>16011</td>
<td>UNC Institutional Programs</td>
</tr>
<tr>
<td>16012</td>
<td>UNC-GA Related Educational Programs</td>
</tr>
<tr>
<td>16020</td>
<td>UNC-Chapel Hill, Academic Affairs</td>
</tr>
<tr>
<td>16021</td>
<td>UNC-Chapel Hill, Health Affairs</td>
</tr>
<tr>
<td>16022</td>
<td>UNC-Chapel Hill, AHEC</td>
</tr>
<tr>
<td>16030</td>
<td>North Carolina State University</td>
</tr>
<tr>
<td>16031</td>
<td>NCSU Agricultural Research Service</td>
</tr>
<tr>
<td>16032</td>
<td>NCSU Cooperative Extension Service</td>
</tr>
<tr>
<td>16040</td>
<td>UNC Greensboro</td>
</tr>
<tr>
<td>16050</td>
<td>UNC Charlotte</td>
</tr>
<tr>
<td>16055</td>
<td>UNC Asheville</td>
</tr>
<tr>
<td>16060</td>
<td>UNC Wilmington</td>
</tr>
<tr>
<td>16065</td>
<td>East Carolina University, Academic Affairs</td>
</tr>
<tr>
<td>16066</td>
<td>East Carolina University, Health Affairs</td>
</tr>
<tr>
<td>16070</td>
<td>North Carolina A&amp;T State University</td>
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<tr>
<td>16075</td>
<td>Western Carolina University</td>
</tr>
<tr>
<td>16080</td>
<td>Appalachian State University</td>
</tr>
<tr>
<td>16082</td>
<td>UNC Pembroke</td>
</tr>
<tr>
<td>16084</td>
<td>Winston-Salem State University</td>
</tr>
<tr>
<td>16086</td>
<td>Elizabeth City State University</td>
</tr>
<tr>
<td>16088</td>
<td>Fayetteville State University</td>
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<tr>
<td>16090</td>
<td>North Carolina Central University</td>
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<tr>
<td>16092</td>
<td>Univ. of North Carolina School of the Arts</td>
</tr>
<tr>
<td>16094</td>
<td>N.C. School of Science &amp; Mathematics</td>
</tr>
<tr>
<td>16095</td>
<td>UNC Hospitals at Chapel Hill</td>
</tr>
</tbody>
</table>
### IV. Standardized Other Equipment

<table>
<thead>
<tr>
<th>Fac Maint Tech - Mech (Maintenance Mech IV)</th>
<th>1.0</th>
<th>Enter Number from Bldg Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2108 Mechanic Tool Set</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$74 Mechanic tool chest</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$275 Cordless Drill, 1/2&quot;, 18 volt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$198 Cordless Jigsaw, 18 volt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$316 1/2&quot; Standard Socket Set</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$902 Tool Set, trade specific, i.e. HVAC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$248 Ladder, 24 foot aluminum extension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$159 Ladder, 12 foot aluminum extension</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$143 Ladder, 6 foot step</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$299 Ladder Rack for Maintenance Vehicle</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$227 Truck Tool Box</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$367 Leak Detector, electronic</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$120 Infrared Thermometer</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$384 Saw, Reciprocating, battery powered</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$439 Air Compressor, Portable</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$302 Refrigerant gauges/manifold</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$169 Meter, Electrical Test</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$104 Hand Truck</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$82 Gloves, Electrical</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$275 Protective Equipment, Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$93 Cords, Extension (3)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$291 2-Way Radio</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$7,235 Total Equip Maintenance Mechanic</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Bldg Envir Svcs Tech (Housekeeper)</th>
<th>1.0</th>
<th>Enter Number from Bldg Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>$573 Vacuum Cleaner, 8&quot; Commercial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$179 Custodial Cart, Commercial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$320 Vacuum, cannister w/attachments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$375 Vacuum, back pack for stairs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$274 Auto Scrubber, 14&quot; for restrooms/tigh</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$102 Step Ladder, 6 foot</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$136 Step Ladder, 8 foot</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$404 Steam Cleaning (Vapor) Machine</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$393 Window Washing Pole w/detergent</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$88 Fan, Carpet Drying</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$167 Brute Container &amp; dolly</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$55 Bucket, Mop, Commercial</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$93 Protective Equipment, Safety</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$77 Mopping supplies</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$5,342 Total Equip Housekeeper</td>
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17

31
<table>
<thead>
<tr>
<th>Fac. Maint, Tech - Trades</th>
<th>1.0</th>
<th>Enter Number from Bldg Reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>(General Utility Worker)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$494</td>
<td>Basic Hand Tool package</td>
<td></td>
</tr>
<tr>
<td>$245</td>
<td>Gas Powered String Weed Trimmer</td>
<td></td>
</tr>
<tr>
<td>$357</td>
<td>Gas Powered Sidewalk Edger</td>
<td></td>
</tr>
<tr>
<td>$302</td>
<td>Gas Powered Shrubbery/Tree Pruner</td>
<td></td>
</tr>
<tr>
<td>$417</td>
<td>Gas Powered Back Pack Blower</td>
<td></td>
</tr>
<tr>
<td>$533</td>
<td>Mower, 21&quot; Self Propelled</td>
<td></td>
</tr>
<tr>
<td>$165</td>
<td>10 Gallon Sprayer for Insecticides/horti</td>
<td></td>
</tr>
<tr>
<td>$165</td>
<td>Protective Equipment, Safety</td>
<td></td>
</tr>
<tr>
<td>$82</td>
<td>Gas Can, Safety</td>
<td></td>
</tr>
<tr>
<td>$2,760</td>
<td>Total Equip Groundworker</td>
<td></td>
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</table>

Base Equipment per Building

<table>
<thead>
<tr>
<th>Recycling Bins</th>
<th>$260</th>
<th>One per 25,000 GSF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dumpster, Recycling</td>
<td>$988</td>
<td>One per 75,000 GSF</td>
</tr>
<tr>
<td>Dumpster</td>
<td>$988</td>
<td>One per 75,000 GSF</td>
</tr>
<tr>
<td>Velometer, TSI, measures</td>
<td>$1,318</td>
<td>One per 75,000 GSF</td>
</tr>
<tr>
<td>$3,294</td>
<td>Total Equip per 75,000 GSF</td>
<td></td>
</tr>
</tbody>
</table>

Burnisher, Battery power $ 6,747 One per 50,000 GSF

Trash cans (large) $ 132 One per 7,500 GSF

<p>| Wet Vacuum       | $ 577 | One per building |
| Scrubber (Large) | $ 4,833 | One per building |
| Carpet Extractor | $ 2,312 | 12-gallon w/ Attachments |
| Entrance mats    | $ 2,376 | 12 per building (6 interior, 6 exterior) |
| Person Lift, Extension | $ 4,723 | One per building |
| Mower, 48&quot;       | $ 5,822 | One per building |
| Push Vac, 1.0 HP | $ 1,005 | One per building |
| Pressure Washer  | $ 912  | One per building |
| $ 22,559 | Total per building |</p>
<table>
<thead>
<tr>
<th>Building Type</th>
<th>Number of Months Budgeted</th>
<th>Number of Smart Classrooms</th>
<th>Number of Floors</th>
<th>SUBHEAD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Adm/Acad/Classroom</td>
<td>12</td>
<td>2</td>
<td>1</td>
<td>1180-531210 SPA Reg Salaries</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Factor (FTE per)</th>
<th>Staff</th>
<th>Rounded</th>
<th>Rate</th>
<th>Annual Budget 2013-14</th>
<th>Annual Budget 2014-15</th>
<th>Annual Budget 2015-16</th>
<th>Annual Budget 2016-17</th>
<th>Annual Budget 2017-18</th>
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</thead>
<tbody>
<tr>
<td>5.00 %</td>
<td>1</td>
<td>5.00</td>
<td>24,000</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>134,400</td>
<td>134,400</td>
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<table>
<thead>
<tr>
<th>Description</th>
<th>Annual Budget 2014-15</th>
<th>Annual Budget 2015-16</th>
<th>Annual Budget 2016-17</th>
<th>Annual Budget 2017-18</th>
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</thead>
<tbody>
<tr>
<td>5.00 %</td>
<td>0</td>
<td>17,687</td>
<td>17,687</td>
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<tr>
<td>7.65 %</td>
<td>0</td>
<td>34,145</td>
<td>34,145</td>
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<tr>
<td>14.23 %</td>
<td>0</td>
<td>65,637</td>
<td>65,637</td>
<td>65,637</td>
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<tr>
<td>5.192 ea</td>
<td>0</td>
<td>70,611</td>
<td>70,611</td>
<td>70,611</td>
</tr>
<tr>
<td>1 Mth</td>
<td>NR</td>
<td>1,275</td>
<td>1,275</td>
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<tr>
<td>1 Mth</td>
<td>NR</td>
<td>6,662</td>
<td>6,662</td>
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<tr>
<td>0.791 /GSF</td>
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<td>79,100</td>
<td>79,100</td>
<td>79,100</td>
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<tr>
<td>NR</td>
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<td>5,070</td>
<td>5,070</td>
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<tr>
<td>1 Mth</td>
<td>NR</td>
<td>103,852</td>
<td>103,852</td>
<td>103,852</td>
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<tr>
<td>0.134 /GSF</td>
<td>0</td>
<td>13,400</td>
<td>13,400</td>
<td>13,400</td>
</tr>
<tr>
<td>0</td>
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<tr>
<td>0</td>
<td>0</td>
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<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Building Type</td>
<td>Number of Months Budgeted</td>
<td>Number of Smart Classrooms</td>
<td>Number of Floors</td>
<td>DESCRIPTION</td>
</tr>
<tr>
<td>---------------</td>
<td>---------------------------</td>
<td>----------------------------</td>
<td>------------------</td>
<td>-------------</td>
</tr>
<tr>
<td>Adm/Acad/Classroom</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Property</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Equipment</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Other Equipment</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL - RESERVE FOR OPERATION OF Generic Building</td>
<td>$0</td>
<td>$0</td>
<td>$875,405</td>
<td>$755,320</td>
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<tr>
<td>R</td>
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<td>$0</td>
<td>$755,320</td>
<td>$755,320</td>
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<tr>
<td>NR</td>
<td>$0</td>
<td>$0</td>
<td>$120,085</td>
<td>$0</td>
</tr>
</tbody>
</table>

**Project Description and Explanation of Special Operating Requirements (YOU MUST PROVIDE THE INFORMATION HIGHLIGHTED IN BLUE)**

Describe project as completely as possible - A general description of the project and what activities will take place in the building.

- For example, instruction, gymnasium/athletics, etc.
- For example, 1999 appropriation; Year 2000 Bond Issue

Explain each of the following calculations:

- Utilities per square foot
- Stormwater per impervious square foot
- The funds needed for moving costs
- Maintenance contracts - the basis for your figures?
- Insurance costs for real property and vehicles
- The number and type of vehicles for the project - why these are needed
- Fund release date - provide detailed explanation.
- Basis for renovation requirements per instruction.
- Other equipment requests - what/why?
# 1180 General Institutional Support

**Budget Code**: 1180-71XX Reserve for Maintenance and Operating of

### Generic Building RENOVATION

<table>
<thead>
<tr>
<th>C.I. Code</th>
<th>Item</th>
<th>Construction Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Adm/Acad/Classroom</td>
<td>Fund Release Date</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Building Type</th>
<th>1</th>
<th>Adm/Acad/Classroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Floors</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SUBHEAD</th>
<th>DESCRIPTION</th>
<th>Factor (FTE per)</th>
<th>Staff</th>
<th>Rounded</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1180-531210</td>
<td>SPA Reg. Salaries</td>
<td>Building Environmental Service Technician (BEST)</td>
<td>16,000</td>
<td>GSF</td>
<td>0.00</td>
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<tr>
<td></td>
<td></td>
<td>Building Environmental Service Supervisor (BEISS)</td>
<td>12</td>
<td>Hskpr</td>
<td>0.00</td>
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<tr>
<td></td>
<td></td>
<td>Facilities Maintenance Technician Mechanical (FMTM)</td>
<td>25,000</td>
<td>GSF</td>
<td>2.40</td>
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<tr>
<td></td>
<td></td>
<td>Public Safety Officer</td>
<td>100,000</td>
<td>GSF</td>
<td>0.50</td>
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<tr>
<td></td>
<td></td>
<td>EHS Technician</td>
<td>300,000</td>
<td>GSF</td>
<td>0.17</td>
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<tr>
<td></td>
<td></td>
<td>IT Networking Technician (Infrastructure)</td>
<td>250,000</td>
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<td></td>
<td>IT Networking Technician (Classroom Support)</td>
<td>15</td>
<td>CLS</td>
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<tr>
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<td></td>
<td>Facilities Maintenance Technician Trades (FMTT)</td>
<td>57,000</td>
<td>GSF</td>
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<table>
<thead>
<tr>
<th>Subtotal</th>
<th>432</th>
<th>44</th>
</tr>
</thead>
<tbody>
<tr>
<td>1180-531430</td>
<td>Shift Differential</td>
<td>10.00 %</td>
</tr>
<tr>
<td>1180-531510</td>
<td>Social Security</td>
<td>7.65 %</td>
</tr>
<tr>
<td>1180-531020</td>
<td>State Retirement</td>
<td>14.23 %</td>
</tr>
<tr>
<td>1180-531660</td>
<td>Medical Insurance</td>
<td>6.192 ea</td>
</tr>
<tr>
<td>1180-533000</td>
<td>Hskpr Supplies</td>
<td>Initial Supplies</td>
</tr>
<tr>
<td></td>
<td>Regular Supplies</td>
<td>0.000</td>
</tr>
<tr>
<td>Subtotal</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

| 1180-533000 | Repair Supplies | Initial Repair Supplies | 1 | Mth | 0 | 0 |
|             | Regular Supplies | 0.475 | $/GSF | |
| Subtotal | 0 | 0 |

| 1180-533200 | Other Supplies | Initial Police Supplies | 5,070 | $/Officer | NR | 0 |
|             | Police Supplies | 800 | $/Officer | |
|             | IT Supplies (Infrastructure) | 0.062 | $/GSF | |
|             | IT Supplies (Climb Support) | 2,503 | $/Classroom | |
| Subtotal | 0 | 0 |

| 1180-532200 | Communications | Utilities | 1.00 | 0 | $/GSF | |
|             | Utilities Stormwater | 100,000 | $/SF impervious Pavement | |
| Subtotal | 0 | 0 |

| 1180-535000 | Moving Costs | Est. | NR | 0 | 0 | 0 |
|             | Elev. Maint (# of Elev.) | 0 | 0 | 0 | 0 | 0 |
|             | Pest Control | Est. | 0 | 0 | 0 | 0 |
|             | Refuse Removal | Est. | 0 | 0 | 0 | 0 |
|             | Uniforms (# of New Employees) | 3.5 | 0 | 0 | 0 | 0 |
| Subtotal | 0 | 0 | 0 | 0 | 0 | 0 |
The University of North Carolina
2013-2015 Operating Reserves
Continuation Budget

MASTER RENOVATION

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Admin/Acad/Classroom</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1 Code</td>
<td></td>
</tr>
<tr>
<td>Date Const.</td>
<td>Authorized</td>
</tr>
<tr>
<td>Est. Substantial Completion Date</td>
<td></td>
</tr>
<tr>
<td>SUBHEAD</td>
<td>Description</td>
</tr>
<tr>
<td>Security</td>
<td>Est @0</td>
</tr>
<tr>
<td>Cont./Chillers</td>
<td>Est</td>
</tr>
<tr>
<td>Subtotal</td>
<td>0</td>
</tr>
<tr>
<td>1180-532000</td>
<td>Real Property 0</td>
</tr>
<tr>
<td>1180-532000</td>
<td>Vehicle</td>
</tr>
<tr>
<td>Subtotal</td>
<td>0</td>
</tr>
<tr>
<td>1180-534000</td>
<td>Vehicles Est @0</td>
</tr>
<tr>
<td>1180-534000</td>
<td>Other Equipment 20,400 S/FTE/GSF/Bld</td>
</tr>
<tr>
<td>Subtotal</td>
<td>0</td>
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</tbody>
</table>

TOTAL - RESERVE FOR OPERATION OF

<table>
<thead>
<tr>
<th>Generic Building RENOVATION</th>
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<th>0</th>
<th>0</th>
<th>0</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>1180 General Institutional Support</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget Code</td>
<td>#</td>
<td>#</td>
<td>#</td>
<td>#</td>
<td>#</td>
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Project Description and Explanations of Special Operating Requirements (YOU MUST PROVIDE THE INFORMATION HIGHLIGHTED IN BLUE).
Describe project as completely as possible - A general description of the project and what activities will take place in the building.

For example, instruction, gymnasium/athletics, etc.

What is the source of funds for the building?
For example, 1999 appropriation; Year 2000 Bond Issue

Explain each of the following calculations
Utilities per square foot
Stormwater per impervious square foot
The funds needed for moving costs
Maintenance contracts - the basis for your figures?
Insurance costs for real property and vehicles
The number and type of vehicles for the project - why these are needed
Fund release date - provide detailed explanation.
Basis for renovation requirements per instructions.
Other equipment requests - what/why?
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§ 143C-7-2. Federal Block Grants.
(a) Plans Submitted and Reviewed. – The Secretary of each State agency that receives and administers federal Block Grant funds shall prepare and submit the agency’s Block Grant plans to the Director of the Budget. The Director of the Budget shall submit the Block Grant plans to the Fiscal Research Division of the General Assembly not later than February 28 of each odd-numbered calendar year and not later than April 30 of each even-numbered calendar year.
(b) Information To Be Included in Plans. – Each State agency shall submit a separate Block Grant plan for each Block Grant received and administered by the agency, and each plan shall include all of the following:
   (1) A delineation of the proposed dollar amount by activity and by category, including dollar amounts to be used for administrative costs.
   (2) A comparison of the proposed funding with two prior years’ program budgets. (2006-203, s. 3.)

Article 8.

Budgeting Capital Improvement Projects.

§ 143C-8-1. Legislative intent; purpose.
(a) Legislative Intent. – The General Assembly recognizes the need to establish a comprehensive process for capital improvement planning and budgeting that is fully integrated with State financial planning and debt management.
(b) Capital Improvement Planning and Budgeting Process. – The capital improvement planning and budgeting process shall include the following elements:
   (1) An inventory of facilities owned by State agencies.
   (2) Criteria used to evaluate capital improvement needs.
   (3) A six-year capital improvement needs estimate.
   (4) A six-year capital improvements plan.
   (5) Recommendations for capital improvements set forth in the Recommended State Budget as specified in G.S. 143C-3-5.
(c) Office of State Budget and Management to Manage Planning Process. – The Office of State Budget and Management has responsibility for management of the capital improvement planning process. The Director of the Budget may assign to any State agency or institution such duties and responsibilities as may, in the Director's judgment, be necessary to the successful administration of the capital improvement planning process. (1997-443, s. 34.9; 2000-140, s. 93.1(a); 2001-424, s. 12.2(b); 2006-203, s. 3.)

§ 143C-8-2. Capital facilities inventory.
The Department of Administration shall develop and maintain an automated inventory of all facilities owned by State agencies pursuant to G.S. 143-341(4). The inventory shall include the location, occupying agency, ownership, size, description, condition assessment, mainte-
nance record, parking and employee facilities, and other information to determine maintenance
needs and prepare life-cycle cost evaluations of each facility listed in the inventory. The De-
partment of Administration shall update and publish the inventory at least once every three
years. The Department shall also record in the inventory acquisitions of new facilities and sig-
nificant changes in existing facilities as they occur. (1997-443, s. 34.9; 2006-203, s. 3.)

§ 143C-8-3. Capital improvement needs criteria.
The Office of State Budget and Management shall develop a weighted list of factors that
may be used to evaluate the need for capital improvement projects. The list shall include all of
the following:
   (1) Preservation, adequacy and use of existing facilities.
   (2) Health and safety considerations.
   (3) Operational efficiencies.
   (4) Projected demand for governmental services. (1997-443, s. 34.9; 2000-140,
s. 93.1(a); 2001-424, s. 12.2(b); 2006-203, s. 3.)

§ 143C-8-4. Agency capital improvement needs estimates.
   (a) Needs Estimate Required. – On or before September 1 of each even-numbered year,
each State agency shall submit to the Office of State Budget and Management and to the Di-
vision of Fiscal Research a six-year capital improvement needs estimate. This estimate shall de-
scribe the agency’s anticipated capital needs for each year of the six-year planning period. Cap-
ital improvement needs estimates shall be shown in two parts.
   (b) Repairs and Renovations Needs Estimate. – The first part of the capital improve-
ment needs estimates shall include only requirements for repairs and renovations necessary to
maintain the existing use of existing facilities. Each proposed repair and renovation expendi-
ture shall be justified by reference to the Facilities Condition Assessment Program operated by
the Office of State Construction.
   (c) Real Property and New Construction or Facility Rehabilitation Needs Estimate. –
The second part of the capital improvement needs estimates shall include only proposals for
real property acquisition and projects involving construction of new facilities or rehabilitation
of existing facilities to accommodate uses for which the existing facilities were not originally
designed. Each project included in this part shall be justified by reference to the needs evalua-
tion criteria established by the Office of State Budget and Management pursuant to G.S.
143C-8-3.

For capital projects of The University of North Carolina and its constituent institutions, the
Office of State Budget and Management shall utilize the needs evaluation information ap-
proved by the Board of Governors of The University of North Carolina developed pursuant to
G.S. 116-11(9). (1997-443, s. 34.9; 2000-140, s. 93.1(a); 2001-424, s. 12.2(b); 2006-203, s. 3.)
§ 143C-8-5. Six-year capital improvements plan.
   (a) General. – The State capital improvement plan shall address the long-term capital improvement needs of all State government agencies and shall incorporate all capital projects, however financed, proposed to meet those needs, except that transportation infrastructure projects shall be excluded. On or before December 31 of each even-numbered year, the Director of the Budget shall prepare and transmit to the General Assembly a six-year capital improvement plan. When preparing the plan, the Director of the Budget shall consider the capital improvement needs estimates submitted by State agencies as required in G.S. 143C-8-4. The plan shall be prepared in two parts.
   (b) Repair and Renovations Requirements. – The first part of the capital improvement plan shall set forth repair and renovations requirements that, in the judgment of the Director of the Budget, should be met within each year of the six-year planning period to protect and preserve existing capital improvement facilities. The plan shall identify individual projects in priority order by State agency and shall specify the means of financing.
   (c) Real Property Acquisition, New Construction, or Facility Rehabilitations. – The second part of the capital improvement plan shall set forth an integrated schedule for real property acquisition, new construction, or rehabilitation of existing facilities that, in the judgment of the Director of the Budget, should be initiated within each year of the six-year planning period. The plan shall contain for each project (i) estimates of real property acquisition, and construction or rehabilitation costs (ii) a means of financing the project, and (iii) an estimated schedule for the completion of the project. Where the means of financing would involve direct or indirect debt service obligations, a schedule of those obligations shall be presented. (1997-443, s. 34.9; 2006-203, s. 3.)

§ 143C-8-6. Recommendations for capital improvements set forth in the Recommended State Budget.
   (a) Budget Director’s Recommendations. – The Director of the Budget shall recommend expenditures for repairs and renovations of existing facilities, and real property acquisition, new construction, or rehabilitation of existing facilities in the Recommended State Budget in accordance with G.S. 143C-3-5.
   (b) Repairs and Renovations in the Recommended State Budget. – The Recommended State Budget shall contain for repairs and renovations of existing facilities: (i) the amount recommended for each State agency, (ii) a summary of the recommendations by project type, and (iii) the means of financing.
   (c) Repairs and Renovations in the Budget Support Document. – The Budget Support Document shall contain for each repair and renovation project recommended in accordance with 143C-8-6(b): (i) a project description and justification, (ii) a detailed cost estimate, (iii) an estimated schedule for the completion of the project, and (iv) an explanation of the means of financing.
   (d) Other Capital Projects in the Recommended State Budget. – The Recommended State Budget shall contain for each capital project involving real property acquisition, new construction, building area (sq. ft.) expansions, or the rehabilitation of existing facilities to ac-
commodate new or expanded uses: (i) a project description and statement of need, (ii) an estimate of acquisition and construction or rehabilitation costs, and (iii) a means of financing the project.

(e) Other Capital Projects in the Budget Support Document. — The Budget Support Document shall contain for each capital project recommended in accordance with 143C-8-6(c): (i) a detailed project description and justification, (ii) a detailed estimate of acquisition, planning, design, site development, construction, contingency and other related costs, (iii) an estimated schedule of cash flow requirements over the life of the project, (iv) an estimated schedule for the completion of the project, (v) an estimate of maintenance and operating costs, including personnel, for the project, covering the first five years of operation, (vi) an estimate of revenues, if any, likely to be derived from the project, covering the first five years of operation, and (vii) an explanation of the means of financing. (2006-203, s. 3; 2007-117, s. 5(b).)

§ 143C-8-7. When a State agency may begin a capital improvement project.

No State agency may expend funds for the construction or renovation of any capital improvement project except as needed to comply with this Article or otherwise authorized by the General Assembly. Funds that become available by gifts, excess patient receipts above those budgeted at the University of North Carolina Hospitals at Chapel Hill, federal or private grants, receipts becoming a part of special funds by act of the General Assembly, or any other funds available to a State agency or institution may be utilized for advanced planning through the working drawing phase of capital improvement projects, upon approval of the Director of the Budget. (2006-203, s. 3.)

§ 143C-8-8. When a State agency may increase the cost of a capital improvement project.

Upon the request of the administration of a State agency, the Director of the Budget may, when in the Director's opinion it is in the best interest of the State to do so, increase the cost of a capital improvement project. Provided, however, that if the Director of the Budget increases the cost of a project, the Director shall report that action to the Joint Legislative Commission on Governmental Operations at its next meeting. The increase may be funded from gifts, federal or private grants, special fund receipts, excess patient receipts above those budgeted at the University of North Carolina Hospitals at Chapel Hill, or direct capital improvement appropriations to that department or institution. (2006-203, s. 3.)

§ 143C-8-9. When a State agency may change the scope of a capital improvement project.

A State agency may increase the scope of a capital improvement project only if the General Assembly authorizes the increase. A State agency may decrease the scope of a capital improvement project if the Director authorizes the decrease. To obtain the Director's authorization for a decrease in the scope of a capital improvement project, a State agency shall submit its request to the Director in writing and shall state the reason for the request. (2006-203, s. 3.)
§ 143C-8-10. Project Reserve Account.
   (a) Project Reserve Account. — There is established a Project Reserve Account. When a construction contract is entered for a capital improvement project for which the General Assembly has enacted an appropriation, the appropriation is encumbered for the project's costs of real property acquisition, planning, design, site development, construction, contingencies, and other related costs. If the amount appropriated for the project exceeds the amount encumbered, the excess shall be credited to the Project Reserve Account, unless otherwise required by law. The Director may authorize funds in the Account to be used for any of the following:

   (1) An emergency repair and renovation project at a State facility.

   (2) The award of a project contract when bids for the contract exceed the amount appropriated for it if the project was designed within the scope intended by the appropriation and if the Director finds that all means to award the contract within the appropriation were reasonably attempted.

   (3) A reversion to the principal fund from which revenue was appropriated for a project when the amount encumbered for the project is less than the amount appropriated.

   (b) Reporting Requirement. — Whenever the Director authorizes the use of funds from the Project Reserve Account, the Director shall report the action to the Joint Legislative Commission on Governmental Operations at its next meeting. (2006-203, s. 3; 2007-117, s. 6.)

§ 143C-8-11. Reversion of appropriation and lapse of project authorization.
   (a) Reversion of Appropriation. — A State agency shall begin the planning of or the construction of an authorized capital improvement project during the fiscal year in which the funds are appropriated. If it does not, the Director may credit the appropriation to the Project Reserve Account, unless otherwise required by law. If the Director does not credit the appropriation to the Project Reserve Account, the appropriation shall revert to the principal fund from which it was appropriated. The Director may, for good cause, allow a State agency to take up to an additional 12 months to take the actions required by this subsection.

   (b) Lapse of Project Authorization. — Authorizations for capital improvement projects shall lapse if any of the following occur: (i) the appropriation for a capital improvement project reverts, (ii) the construction of a project does not begin during the first two fiscal years in which funds are appropriated, or (iii) the Director redirects funds appropriated for a capital improvement project in accordance with G.S. 143C-6-2. The Director may, for good cause, allow a State agency to take up to an additional 12 months to begin construction of a project; however, if the Director approves an extension of time under this subsection and construction of the project has not begun by the end of the extension, the authorization for the project shall lapse. (2006-203, s. 3.)
§ 143C-8-12. University system capital improvement projects from sources that are not General Fund sources: approval of new project or change in scope of existing project.

Notwithstanding any other provision of this Chapter, the Director of the Budget may, upon request of the Board of Governors of The University of North Carolina and after consultation with the Joint Legislative Commission on Governmental Operations, approve: (i) expenditures to plan a capital improvement project of The University of North Carolina the planning for which is to be funded entirely with non-General Fund money, (ii) expenditures for a capital improvement project of The University of North Carolina that is to be funded entirely with non-General Fund money, or (iii) a change in the scope of any previously approved capital improvement project of The University of North Carolina provided that both the project and change in scope are funded entirely with non-General Fund money. (2006-203, s. 3.)

Article 9.

Special Funds and Fee Reports.

§ 143C-9-1. Medicaid Special Fund; transfers to Department of Health and Human Services.

(a) The Medicaid Special Fund is established as a nonreverting special fund in the Department of Health and Human Services. The Medicaid Special Fund shall consist of the federal Medicaid disproportionate share monies remaining after payments are made to hospitals. Annually, the Department shall transfer the disproportionate share gain, after payments are made to hospitals, to the Medicaid Special Fund. Funds deposited to the Medicaid Special Fund shall only be available for expenditure upon an act of appropriation of the General Assembly.

Political subdivisions may appropriate funds directly to the Department of Health and Human Services for Medicaid programs. Other public agencies and private sources may transfer funds to the Department for Medicaid programs. The Department may accept unconditional and unrestricted donations of such funds. Notwithstanding the provisions of this Article which might forbid such transfer or donation, the University of North Carolina Hospitals at Chapel Hill may transfer funds as provided by the previous sentence of this section.

(b) Contributed funds shall be subject to the Department of Health and Human Services administrative control and shall be allocated only as specifically provided in the Current Operations Appropriations Act, except such contributions shall not reduce State general revenue funding. At the end of any fiscal year, the unobligated balance of any such funds shall not revert to the General Fund, but shall be reappropriated for these purposes in the next fiscal year. (2006-203, s. 3; 2007-117, s. 7.)
G.S. 143C-5 spells out the legislative rules for enactment of the State budget. The General Assembly is required to approve the Current Operations Appropriations Act by June 15 in odd-numbered years (long session), and by June 30 in even-numbered years (short session).

Typically the legislative review and approval process results in a budget that reflects a combination of the Governor’s budget recommendations and legislative priorities for funding. The Governor of North Carolina has the authority to veto the legislatively approved budget.

2.6 Components of the Recommended State Budget
The State budget is made up of funds used to operate existing or new government programs and funds for capital improvements. In developing the Governor’s recommended state budget, the budget (and the development process) is considered in three parts: development of the continuation budget, the expansion budget, and the capital improvements budget. All are constructed using the North Carolina Accounting System Uniform Chart of Accounts and each has unique elements and information requirements. Budget instructions fully explain the steps for development of each component. Below is summary explanation of each component.

2.6.1 Continuation Budget
Continuation Budget Defined
The continuation budget is the part of the State budget necessary to continue the current level of services when adjusted for inflation, mandated rate increases such as Social Security, annualization of programs and operation of new facilities.

G.S. 143C-3-5(b)(1) requires that funds needed to support enrollment increases in public schools, community colleges and the university system are required by statute to be included in the continuation budget.

The continuation budget is prepared jointly by the budget analyst and appropriate agency personnel. A printout called the Worksheet I is the starting point for the development process. This worksheet is generated from the Budget Preparation System (BPS). The Worksheet I includes prior year actual expenditures, current year certified and authorized budgets, and recommended adjustments for the biennium under request. The budget is constructed in line-item detail using the Uniform Chart of Accounts.

2.6.2 Expansion Budget
Expansion Budget Defined
The expansion budget refers to the establishment of new and/or pilot programs and the expansion of existing programs and salary increases and/or benefits for teachers and state employees. The expansion request also may include:
- Programs previously supported by federal and/or private grants that have expired.
- Increases to support additional persons being served by a state program and/or higher per capita cost to provide that service.
STATE OF NORTH CAROLINA
BUDGET MANUAL
OFFICE OF STATE BUDGET AND MANAGEMENT

Effective Date July 1, 2011 Updated January 1, 2013

- Major (nonrecurring) equipment (other than replacement, which is typically a continuation budget adjustment).

The expansion budget is prepared by the agency on a form called the Worksheet II.

During this phase of budgeting, agencies may make recommendations and/or the Governor may explore options to realign funding, identify efficiencies and/or eliminate funding for certain programs resulting in budget reductions.

2.6.3 Performance Management Information

As directed by G.S. 143C-2-5, the Governor is required to develop budget recommendations for the upcoming biennium that include not only recommended expenditure requirements and funding sources, but also performance management information for each State government program. As defined by the State Budget Act, performance information includes organizational structure, agency activity statements, performance indicators, and analyses of program efficiency and effectiveness. This performance information, originally referred to as “results-based budgeting,” has become a required part of all agencies’ budget submissions beginning with the 2007-09 biennium.

Performance Management Information is comprised of the following components:

- **Agency Overview**: A high-level summary of current performance and productivity, recent accomplishments, challenges being faced, and the envisioned future of the agency. The agency overview presents information about who it serves, what it delivers, how well an agency performs its work, and what steps it is taking toward achieving its mission.

- **Mission Statement**: A description of an organization’s basic purpose (its fundamental reason for being) that specifies its major functional role and communicates its values.

- **Goals**: A broad statement of what a department or institution wants to achieve over a long period of time. Goals explain how an agency will meet its mission.

- **Strategies**: A statement that describes the actions an agency will take to achieve its mission and goals.

- **Key Agency Indicators**: An outcome-based measure that is inclusive of various programs, activities, and funds in order to provide stakeholders, both internal and external to the agency, a clear message of what is important and how the agency is progressing toward achievement of its most important goals.

- **Fund Purpose Statements**: A description of the purpose of the programs, services, activities, or functions funded in the fund code. It provides justification for the expenditure of the funds.

- **Service Statements**: A description of the set of specific activities, lines of business, or work processes that are funded by a particular budget code or fund code.
• **Service Analysis.** An allocation of funds and personnel to each of the service statements supported by a fund or budget code.

• **Performance Measures.** A quantitative characterization of the quality of, need for, or impact of a service provided, ideally to help determine whether a desired outcome has been attained.

The performance management information components provide expanded budget and program information in an effort to improve public understanding of why an agency exists, what the agency does, how much its services cost, and the effectiveness of its services. They also help explain and justify the expenditure of state taxpayers’ money. Ultimately, this information is designed to improve funding, planning, and management decisions in state government.

### 2.6.4 Information Technology (IT)

**Information Technology Defined**

According to G.S. 147-33.81, “information technology” means electronic data processing goods and services, telecommunications goods and services, security goods and services, microprocessors, software, information processing, office systems, any services related to the foregoing, and consulting or other services for design or redesign of information technology supporting business processes.

IT is an increasingly important part of state government programs and operations. A request for new or expanded funding for information technology is considered through the expansion budget process. The Governor is required in G.S. 143C-3-5(b)(4) to submit, as part of the Budget Support Document, the biennial State Information Technology Plan (described in G.S. 147-33-72B) for consistency in facilitating the goals outlined in the Recommended State Budget.

### 2.6.5 Requirements for IT Budget Requests

In addition to providing the requisite information in Worksheet II forms, pursuant to G.S. 143C-3-3(e), agencies other than the University of North Carolina General Administration and the Administrative Office of the Courts requesting significant state resources for the purpose of acquiring or maintaining information technology must provide the following:

• A statement of need for IT and related resources, including expected improvements to program or business operations, and a review and evaluation of that statement by the State Chief Information Officer (CIO).

• A statement of requirements for state resources and an evaluation of that statement by the State CIO.

• A statement by the State CIO providing viable alternatives, if any, for effectively and economically meeting the agency’s needs.

• For acquisitions, an explanation of the method by which the acquisition will be financed.
2.6.6 Capital Improvement Budget

Capital Defined

Capital improvements are defined as real property acquisitions, new construction, rehabilitation of existing facilities, and repairs and renovations (G.S. 143C-1-1). These types of expenditures are accounted for in the capital budget code of a department or institution.

The establishment of a capital improvement project requires approval of the General Assembly regardless of funding source. Requests to establish capital projects must be submitted through the biennial capital budget process.

In the following circumstances, the Director of the Budget may authorize capital improvement projects outside of the biennial budget process:

- To address an emergency that threatens public health and safety;
- For a state agency advance planning project;
- For a university project funded entirely from non-General Fund sources and after consultation with the Joint Legislative Commission on Governmental Operations.

2.6.7 Capital Improvement Needs Estimate (Budget Requests)

The capital budget development process begins when state agencies and the University Board of Governors submit their six-year needs estimates to the Director of the Budget by September 1 of even-numbered years (G.S. 143C-8-4). Needs estimates are submitted using Worksheet III (the first year of the six-year needs estimate is considered an agency’s official request). Transportation infrastructure is not included in this process. Detailed procedures for submitting Worksheet III are outlined in the biennial budget instructions provided by OSBM.

Capital improvement needs estimates are requested in two parts: Repair and Renovations and New Capital Projects. New Capital Projects include new construction, land acquisitions, and major rehabilitation of existing facilities. (G.S. 143C-3-3).

2.6.8 Repair and Renovation Requests must include:

- A description of current deficiencies (FCAP) and proposed corrections with a review and evaluation of that proposal prepared by the Department of Administration;
- An estimate of project costs;
- A certification of project feasibility by the Department of Administration as described in G.S. 143-341 (OC-25); and
- An identification of any receipts available to support the project.

2.6.9 New Capital Project Requests must include:

- An estimate of space needs and other physical requirements with a review and evaluation of that estimate prepared by the Department of Administration;
- An estimate of project costs and cash flow requirements approved by the Department of Administration;
A certification of project feasibility by the Department of Administration as described in G.S. 143-341 (OC-25);

- An identification of any receipts available to support the project;
- An estimate of maintenance and operating costs, including personnel, for the first five years of operation; and
- An estimate of revenues to be derived from the project for the first five years of operation.

2.6.10 Six-Year Capital Improvement Plan

On or before December 31 of even-numbered years, the Director of the Budget is required to transmit a six-year capital improvement plan to the General Assembly (G.S. 143C-8-5). The agencies’ Needs Assessments are used to develop the Capital Improvement Plan, which schedules the State’s long-term capital expenditures, recommends a financing plan, and integrates debt management principals. Capital projects are prioritized based on capital improvement needs criteria that includes but is not limited to (i) preservation, adequacy and use of existing facilities, (ii) health and safety considerations, (iii) operational efficiencies, and (iv) projected demand for governmental services (G.S. 143C-8-3).

Like the Needs Assessment, the Capital Improvement Plan is prepared in two parts. The Repair and Renovations part of the Capital Improvement Plan must identify projects in priority order by State agency and shall specify the means of financing. The New Capital Projects part of the capital plan must contain (i) estimates of real property acquisition, construction, or rehabilitation costs; (ii) means of financing; (iii) an estimated schedule to complete the project; and (iv) a schedule of any debt service obligations.

2.6.11 Capital Budget

The Director of the Budget recommends capital improvement expenditures for the upcoming fiscal year in the Capital Budget. Capital projects recommended in the first year of the six-year Capital Improvement Plan are known as the Recommended Capital Budget and require additional supporting information in a Budget Support Document (G.S. 143C-8-6). Required information for Repairs and Renovation requests and New Capital Projects requests includes the following:

- Repairs and Renovations
  - Project description and justification;
  - Detailed cost estimate;
  - Estimated cash flow schedule over the life of the project;
  - Estimated construction schedule through completion;
  - Identified means of financing.

- New Capital Projects
  - Statement of need;
  - Detailed cost estimate to include acquisition, planning, design, site development, construction, contingency, and other related costs;
2.6.12 Short Session Capital-Budget Development
The six-year Capital Improvement Plan is updated after the Regular Session of the General Assembly to reflect actual capital authorizations. Agencies are invited to submit Worksheet IIIIs for emergency capital needs that have emerged since the development of the capital plan. These Worksheet IIIIs and the capital plan developed for the Regular Session are used to develop the Recommended Capital Budget for the Short Session of the General Assembly.

2.7 Transition from Ratified to Certified Budget
Certified Budget Defined
General Statute 143C-1-1 defines Certified Budget as the budget as enacted by the General Assembly including adjustments made for (i) distributions to State agencies from statewide reserves appropriated by the General Assembly, (ii) distributions of reserves appropriated to a specific agency by the General Assembly, and (iii) organizational or budget changes directed by the General Assembly but left to the Director to carry out.

Once the General Assembly enacts the budget and it is signed into law by the Governor, it becomes the spending plan for the State, against which actual revenue collections and expenditures are monitored.

The budget ratified by the General Assembly is certified to each agency by OSBM. The Certified Budget is prepared on the Budget Preparation System (BPS) and is issued to the agency. When the budget is an operating budget, a Certified Budget (BD 307) is issued. When the capital budget is certified, a Capital Improvement Certified Budget (BD 306) is issued. Information from the Budget Preparation System is transferred automatically to the North Carolina Accounting System (NCAS).

2.8 Systems Supporting the Budget
2.8.1 Budget Preparation System
The Budget Preparation System (BPS) is designed to provide the various user departments with computerized procedures to develop their budget requests to the Governor, and for the Governor to prepare budget recommendations to the Legislature. There are several purposes for the system:

- Assist the various state departments, institutions, agencies, and OSBM in eliminating most of the clerical effort of typing, proofing, summarizing, etc.;
- Provide total and summary information for each department;
- Create an automated file for certification once the budget is approved.

The scope of BPS includes financial, narrative, and statistical data. BPS develops a master file of budget request data and summarizes and reports the data according to the various require-
3.10 Capital Improvement Budget Policies and Procedures
3.10.1 Repairs and Renovations Reserve Account

The Repairs and Renovations Reserve is a restricted reserve in the General Fund. The State
Controller shall reserve to the Repairs and Renovations Reserve Account one-fourth (1/4th) of
any unreserved fund balance as determined on a cash basis, remaining in the General Fund
(G.S.143C-4-3).

The funds in the Repairs and Renovations Reserve Account will be used only for the repair and
renovation of State facilities and related infrastructure that are supported from the General Fund
(G.S. 143C-4-3). Funds from the Repairs and Renovations Reserve Account can be used only
for the following types of projects:

- Roof repairs and replacements;
- Structural repairs;
- Repairs and renovations to meet federal and state standards;
- Repairs to electrical, plumbing, heating, ventilating and air-conditioning systems;
- Improvements to meet requirements of the Americans with Disabilities Act;
- Improvements to meet fire safety needs;
- Improvements to existing facilities for energy efficiency;
- Improvements to remove asbestos, lead paint, and other contaminants, including the re-
  moval and replacement of underground storage tanks;
- Improvements and renovations to improve use of existing space;
- Historical restoration;
- Improvements to roads, walks, drives, and utilities infrastructure;
- Drainage and landscape improvements.

Funds from the Repairs and Renovations Reserve Account can not be used for new construction
or result in additional square footage of an existing facility unless required in order to comply
with federal or State codes or standards.

Departments requesting funds from the Repairs and Renovations Reserve must submit an appli-
cation to OSBM by August 1 of each fiscal year. Universities submit requests to and follow pro-
cedures established by the Board of Governors.

The projects requested by Departments should be listed in priority order. For each project, com-
plete the Repair and Renovation Request Worksheet and attach a copy of an approved Cost Es-
 timate (OC-25). Copies of cost estimates (OC-25) previously prepared during the budget prepa-
ration process may be submitted if the estimated cost is still accurate. Projects without an ap-
proved cost estimate will not be eligible for funding. Only projects supported from general fund
 appropriations are eligible for funding from the Reserve.
NOTE: Information concerning the Facilities Condition Assessment Program (F-CAP) reports, energy efficiency improvements, and impact to the operating budget must be provided on the worksheet before a project can be considered for funding.

An example of the Repair and Renovations Request Worksheet can be found on the OSBM website under the Forms Section.

3.10.2 Capital Defined
“Capital improvement projects” are defined as real property acquisitions, new construction, rehabilitation of existing facilities, and repairs and renovations (G.S. 143C-1-1). These types of expenditures are accounted for in the capital budget code of a department or institution.

The establishment of a capital improvement project requires approval of the General Assembly, regardless of funding source. Requests to establish capital projects must be submitted through the biennial capital budget process.

In the following circumstances, the Director of the Budget may authorize capital improvement projects outside of the biennial budget process:
- To address an emergency that threatens public health and safety;
- For a state agency advance planning project;
- For a university project funded entirely from non-General Fund sources and after consultation with the Joint Legislative Commission on Governmental Operations.

The transfer of funds between capital and operating budgets is prohibited. However, departments are allowed to make expenditures in their operating budget for repairs, maintenance and equipment purchases less than $100,000. Expenditures for repairs, maintenance, and equipment purchases between $100,000 and $300,000 may be allowed in the operating budget provided proper budget approval has been obtained from the Capital Section of OSBM. These types of expenditures allowed in the operating budget are not intended to provide supplemental funds for a formal capital project and shall only be used for individual repair and maintenance projects or equipment purchases. The expenditure of funds from the operating or the capital budget for capital improvement projects is subject to laws governing review of plans and specifications, selection of architects, and public bid for construction projects. Contact the Office of State Construction for a copy of the North Carolina Construction Manual.

3.10.3 University 2.5% Management Flexibility Carry Forward (G.S 116-30.3)
One exception may be allowed to the restriction that funds can not be transferred between the capital and operating budgets. The Director of the Budget may grant requests from the Universities to transfer carry forward funds to a capital project under the following criteria:
- The Director of the Budget may establish a new capital project from carry forward funds after consulting with Governmental Operations;
• The Director of the Budget may authorize the use of carry forward funds to increase the cost of an existing capital project.

3.10.4 Establishment of Capital Improvement Projects
Capital improvement projects can be funded from several different sources:
• The General Fund;
• The Highway Fund;
• The Reserve for Repairs and Renovations;
• Gifts or grants, including federal funds;
• Income from the provision of services, such as dormitory receipts, parking receipts, health services receipts, recreation fees, and other sources of income;
• Overhead receipts and trust funds;
• Insurance Proceeds;
• Revenue bonds approved by the General Assembly, with debt service provided from income such as dormitory receipts, parking receipts, and other sources of income;
• General obligation bonds approved by the General Assembly and a vote of the people, with debt service provided from the General Fund and secured by the full faith and credit of the taxing authority of the State;
• Legislative bonds approved by the General Assembly and limited to an amount not to exceed two-thirds of the amount of debt retired during the previous biennium, with debt service provided from the General Fund and secured by the full faith and credit of the taxing authority of the State;
• Limited obligation bonds approved by the General Assembly without a vote of the people, with debt service provided from the General Fund and secured by a security interest in the facility financed or other, similar real property. Certificates of Participation (COPS) is an example of this type of funding.

3.10.5 Project Cost Increase
A state agency may increase the cost of a capital project after the approval of the Director of the Budget (G.S. 143C-8-8). The increase will be reported to the Joint Legislative Commission on Governmental Operations at the next meeting. The increase may be funded by:
• Gifts;
• Federal or private grants;
• Special fund receipts;
• Direct capital improvement appropriations to that agency.
3.10.6 Project Scope Increase
A state agency may increase the scope of a capital project only if the General Assembly authorized the increase (G.S. 143C-8-9). The State agency may decrease the scope of a capital project with a written request and approval by the Director of the Budget. The Director of the Budget may increase the scope of a university project funded entirely from non-General Fund sources after consultation with the Joint Legislative Commission on Governmental Operations (G.S. 143C-8-12).

3.10.7 Project Reserve Account
The Project Reserve Account is a reserve account in the capital project fund. If the amount of appropriation exceeds the amount encumbered for real property acquisition, planning, design, site development, construction, contingencies, and other related costs, the excess will be credited to the Project Reserve Account (143C-8-10). Use of these funds will be reported to the Joint Legislative Commission on Governmental Operations.

Funds in this account can be used for:
- Emergency Repair and Renovations Projects;
- Project bids that have exceeded the amount appropriated when the original scope has not increased.

3.10.8 Reversion of Appropriation
A State Agency or institution should begin the planning or the construction of an authorized capital improvement project during the fiscal year in which funds are appropriated. OSBM can allow a state agency or institution to take up to an additional 12 months to begin construction depending on the circumstances. For any project not begun in this time frame, OSBM shall credit the funds to the Project Reserve Account (G.S. 143C-8-11).

If the following actions occur, authorizations for capital improvements projects shall lapse, unless granted an extension of up to an additional 12 months:
- The construction of a project does not begin during the first two fiscal years in which funds are appropriated.
- OSBM redirects funds appropriated for a capital improvement project in accordance with G.S. 143C-6-2.

Procedures for requesting a capital improvement project as a part of the Governor's recommended budget to the General Assembly are outlined in the biennial budget instructions.

For university projects, capital improvement requests are submitted from the University Board of Governors, in accordance with biennial budget instructions, as part of the Governor's budget recommendation to the General Assembly.
3.10.9 Advanced Planning
Pursuant to G.S. 143C-8-7, a State Agency or institution may use non-general funds such as gifts, federal or private grants, excess receipts budgeted to the University of North Carolina Hospitals at Chapel Hill or other receipts for advanced planning through the working drawing phase of capital improvement projects, upon approval of the Director of the Budget. However, university requests cannot be authorized by the Director of the Budget until the Joint Legislative Commission on Governmental Operations is consulted.

3.10.10 Force Account Construction
An agency may desire to use its own personnel for labor in the capital project of some construction projects. This process is termed "force account construction" and OSBM has statutory authority to approve this procedure when the total cost of a project, including all indirect costs of labor, services, materials, supplies and equipment, does not exceed $125,000. OSBM also has statutory authority to approve force account construction for projects without limitation to the project cost as long as labor costs do not exceed $50,000 (G.S. 143-135).

3.10.11 Establishment of Capital Improvement Funds (Forms BD 306 and BD 606)
After either the General Assembly or the Governor authorizes a new capital improvement project, OSBM will notify the agency either with:

- A Capital Improvement Certification (BD 306);
- A letter (Governor’s Authorization).

The Capital Improvement Certification (BD 306) is used when a new project is authorized by the General Assembly, and will identify the project, the fiscal scope, and the capital improvement code. Agencies will use the Capital Improvement Certification (BD 306) to enter the project into NCAS with all funds budgeted under Contingency Reserve.

For capital projects that have been authorized by the Governor, OSBM will notify the agency by letter. This letter will identify the:

- Name of the project;
- Fiscal scope of the project;
- Capital improvement code where the project is to be established.

Upon receipt of this notification, the agency is to immediately submit a new center request and budget revision (BD 606) to establish a budget, as instructed in the letter, with all funds budgeted under Contingency Reserve. The fund or item number will be assigned by the agency or by UNC-General Administration for the member institutions. When the approved budget revision is received by the agency or institution, the project is then entered into the North Carolina Accounting System or the institution’s accounting records. A budget revision (BD 606) is not required to distribute funds from the Contingency Reserve into proper expenditure lines after design and construction contracts have been awarded. This distribution is to be made internally by the
agency upon approval of the allotment, but the total is not to exceed the authorized budget as reflected on the approved budget revision (BD 606).

3.10.12 Capital Improvement Allotments (BD-303)
Capital improvement allotments refer to specific projects that are permanent and do not revert at the end of a quarter or fiscal year as do current operations allotments. No funds may be expended for a capital project without an approved allotment.

- After a budget has been established for a capital project the agency should take the necessary steps to select a designer. This selection is coordinated with the Office of State Construction and the State Building Commission. Once the designer has been approved, the agency should submit the first allotment request for the project. This allotment should request the entire design fee for the project as approved by the Office of State Construction.

- Unless the authority to do so has been delegated by law to an agency, after construction bids are received on a project, the Office of State Construction will review the bids and certify the low bids of qualified contractors. The Office of State Construction will then issue a letter to the agency head approving the award of construction contracts. This award letter also details the approved design fee, the construction contingency and available funds for movable equipment. Before the letter of award is released, it is presented to the State Budget Director for approval of the availability of funds. At this point, the agency will initiate the second allotment request for the project. This allotment will distribute into object lines the funds for all construction contracts, the balance of the construction contingency and the movable equipment as reflected on the award letter. When OSBM approves the allotment, the funds will be available for expenditure on the construction contracts and movable equipment.

3.10.13 Special Indebtedness Procedures/Guidelines
- All funds from the sale of the special indebtedness must be spent or obligated within three years from the date of sale - preferably within two years.
- All funds must be spent within three days after the Trustee deposits the funds with the State Treasurer.
- All vendors must be set up to receive electronic payments (exceptions must be approved by OSC).
- Funds will only be drawn down from the Trustee bi-weekly.
- Funds may only be requisitioned for actual invoiced expenses.
- Any funds not expended and all refunds of expenditures must be immediately returned to the Trustee.
- Funds cannot be used to reimburse other projects or expenses unless written permission is granted from OSBM. The proposed reimbursement expenditures must be included in the Reimbursement Resolution authorized by the Department of State Treasurer.
The proceeds from special indebtedness are tax-exempt. In order to maintain the tax-exempt status, private uses of facilities funded from special indebtedness are greatly restricted as long as the debt is outstanding. Private use is any direct or indirect use in a trade or business that is carried on by any person or entity other than governmental units, however, use as a member of the general public is not considered private use for this purpose.

It is the State’s policy that proceeds from special indebtedness cannot be used to compensate or support the salaries of in-house facilities staff or other state employees for services related to completing the projects.

Copies of all invoices must be kept for six years after the debt is repaid. For example, if the special indebtedness has a 20 year amortization, all records of invoices must be kept on file for 26 years.

Each agency must prepare a budget revision to establish the total authorized budget for the approved projects.

Allotments will be submitted with each requisition and only the amount of the requisition will be allotted.

Agency budget codes have been set up by OSBM, but the individual project codes must be set up by each agency.

At the beginning of every quarter, agencies must provide OSBM with an updated cash flow model for each project.

The process for the requisition of funds and the payment of invoices is as follows:

Agencies shall receive invoices from vendors and certify that these invoices are due and payable.

- **Monday**: Agencies must submit their request for requisition of funds on the Monday of the week of the disbursements to OSBM.
- **Tuesday**: OSBM reviews requisition requests and notifies the Trustee of needed funds by submitting the “Form of Requisition.”
- **Wednesday**: The Trustee will wire funds to the Department of State Treasurer on Wednesday for deposit in an OSBM budget code.
- **Wednesday**: OSBM will remit to OSC a Funds Request Worksheet.
- **Thursday**: OSC records a Journal Entry and allocates a wire transfer to agency budget codes (4XXXX).
- **Thursday**: OSC will approve requisitions from agencies and release funds.
- **Thursday**: Agencies will send electronic payments to vendors for approved invoiced expenses.
STATE OF NORTH CAROLINA  
BUDGET MANUAL  
OFFICE OF STATE BUDGET AND MANAGEMENT

Effective Date July 1, 2011  
Updated January 1, 2013

3.10.14 Closing-Out Capital Improvement Projects
After final payments have been made for construction and design contracts, and all movable equipment purchases have been completed, the project is ready to be closed. It is the responsibility of the agency budget officer to review all active capital projects periodically and immediately close those that are complete. The procedures to be followed in closing a project are outlined as follows:

Projects funded via direct appropriation from the General Assembly:
- The agency will move any remaining balances to a line item entitled “Transfer to Budget Code 19973.”
- Once the funds have been moved to the transfer line, the agency is to submit an allotment for the Transfer to General Fund. Upon receipt of the approved allotment, a check is issued payable to the State Treasurer and submitted to the State Controller.

Projects funded via transfer from the Reserve for Repairs and Renovations:
- The agency will submit a BD 606 decreasing the agency budget and transferring the appropriation to 4XX02. The XX included in the BD606 should be the corresponding digits to identify the budget year that the BD 606 would occur.

- Remaining Repair and Renovation balances may be transferred after approval from OSBM to Repair and Renovation projects that experience cost overruns in other years.

Projects funded via self-liquidating sources:
- If a balance is shown on the monthly report in the unexpended balance of allotments account for the completed project, an allotment should be submitted reverting the balance to an unallotted status.
- After the project balance is reverted to the unallotted status, a BD-606 is to be submitted reducing the budget to an amount equal to actual expenditures with a corresponding reduction in the receipt line-item.
- If the receipts have previously been deposited, a refund of receipts should be completed transferring the receipt back to its original source.
It is absolutely essential that units within each institution that have job responsibilities for capital project management, budgeting, and accounting, communicate clearly and regularly regarding project activities, including the following key areas:

- Capital Project Management needs to communicate to Budget the code/item number under which they will manage the project, where multiple funding authority, sometimes over several years, will be brought together. Multiple funding sources should always be collected under a single code/item for project management where the law and Office of State Budget practices permit.

- At the outset of a project, Capital Project Management needs to communicate to Budget what budget structure needs will be, in consultation with Budget representatives who can provide information on the codes they have available for budget structure, the flexibility and/or limitations of structuring in certain ways, etc.

- Budget needs to process payment approvals consistent with the agreed upon use of the code/item and budget structure.

- Accounting must have identified financial accounting system numbers that Budget and Capital Project Management know are associated with the project and they must ensure that payments are drawn from the appropriate accounts.

- Each organization must routinely maintain the information systems which feed the process: CAPSTAT, Primavera (as applicable) Banner, any internal systems, etc. and make certain that systems are kept appropriately in-sync (for example, a CAPSTAT transaction should always have the appropriate BD-606 processed to prevent these two systems from deviating).

- Each organization must regularly review the current reports to ensure that any errors are identified soon after their occurrence and may be righted before the trail to identify and resolve the error becomes difficult to follow or staff turnover makes it more challenging.

- Each organization must communicate with the others when changes to the game plan may be necessitated. For example, if it was agreed that one source of funds would be expended first and that needs to be changed because financing for that source must be delayed, all parties need to be made aware of this change and its impact on the plan. If Capital Management anticipates a substantial change order that will require a restructuring of the budget or simply an awareness that this money will be used and unavailable for other purposes, that should be communicated.

- Capital Project Management must enhance its knowledge of and access to information in the budget process so that its staff can knowledgeably discuss financial issues with Budget and Accounting staff. Similarly, Budget and Accounting staff must enhance knowledge of and access to information on capital project processes and procedures.

MDT - 10/10/2008
4400 Maintenance Contracts: (Maintenance Contract): This major object includes payments for service and maintenance contracts covering equipment owned or leased by the institution. It includes costs of servicing and maintaining adding machines, calculators, typewriters, duplication equipment, other business machines, elevators, air conditioners, boilers, audiovisual equipment, EDP equipment, FAX equipment, and postage meter machines.

4500 Insurance and Bonding: (Insurance & Bonding): This major object includes payments of premiums for insurance and bonding protection. It includes costs of fire and extended coverage insurance, casualty insurance, automobile liability insurance, public liability insurance, and fidelity bonding of employees. It excludes costs of workers’ compensation premiums; these premiums are cited in minor object 1860 Workers Compensation Premiums.

4800 Indirect (Overhead) Costs: (Indirect Costs): This major object is for use with indirect (overhead) costs charged to contracts and grants according to reimbursement agreements with funding agencies or entities.

4900 Other Fixed Charges: This major object includes payments for other fixed expenses not identified by major objects 4100 through 4800. It includes costs of royalties, non-library subscriptions, institutional membership dues and fees, rentals of films and tapes, and wire service contracts.

5000 Capital Outlays: This object class includes payments for acquiring legal ownership to equipment, including the related inbound transportation and installation charges. For definitional purposes, equipment possesses the following characteristics: it is not consumable or expendable; it is movable, even though sometimes attached to other objects or buildings; it has an expected useful life of longer than one year; its cost is at least $50; and its use does not create a readily observable physical impairment or deterioration. Also, this object class includes payments to acquire legal ownership to real property, to construct additions to land and buildings, and to furnish buildings with equipment, furniture, furnishings, machinery, and component systems. This object class includes all expenditures for tangible and intangible properties entered in the inventory of fixed assets and subject to fixed asset controls. Also, it includes the purchase of library books, journals, artistic creations, and intangible assets.

5100 Office Equipment: This major object includes payments for purchasing chairs, desks, tables, cabinets, file cabinets, typewriters, adding machines, bookkeeping machines, calculators, duplicating machines, bookshelves, copiers, telephone equipment, paper shredders, other equipment, and furniture and furnishings used in offices, reception areas, lobbies, conference rooms, seminar rooms, and other similar areas.

5200 EDP Equipment: This major object includes payments for purchasing and installing automatic or electronic data processing equipment, and includes costs of central processing units, working storage, control units, peripheral equipment, terminals, software, and word processors. Also, it includes the purchase of specialized furnishings for data processing activities, and rights to use, according to license agreements, computer software whose ownership is retained by the supplier.
5300 Educational Equipment: (Educational Equip): This major object includes payments for purchasing educational, scientific, medical, laboratory, and classroom equipment and furniture for instructional, research, and examination endeavors. It includes costs of specialized library furnishings, recording studio equipment, audiovisual equipment, surgical equipment, and x-ray equipment. Also, it includes costs of agricultural equipment purchased for instructional or research purposes.

5400 Motor Vehicles: This major object includes payments for purchasing motor vehicles and other self-propelled, motorized equipment suitable for general use by the institution. It includes costs of automobiles, trucks, motor boats, motorized campers, motorcycles, motor scooters, airplanes, and other self-propelled motorized vehicles.

5500 Other Equipment: This major object includes costs of specialized motorized equipment, unsuited for general use, such as construction and maintenance equipment, which are not appropriate for inclusion in major object 5400, and costs of other equipment, furnishings, and furniture not included in major objects 5100 through 5300. Also, it includes costs of agricultural equipment for maintenance of institutional grounds. It includes costs of air conditioners, athletic equipment, fire fighting equipment, forklifts, furnaces, mobile and relocatable facilities, lawn mowers, storage sheds, street sweepers, water coolers/fountains, and other items.

5600 Library Books and Journals: (Library Bk & Jour): This major object includes payments to acquire additions to library and learning resource collections, and includes costs of books, magazines, newspapers, manuals, journals, manuscripts, musical scores, musical recordings, photographs, maps, films, tapes, records, compact discs, microforms, and other literary and artistic objects, materials, and creations. It includes costs of binding library periodicals, journals, pamphlets, and paperback books. It excludes costs of objects purchased for resale.

5700 Land: This major object includes payments to acquire legal ownership of or title to real property in the name of the State or the institution. This major object is used only in capital improvement budgets.

5800 Buildings: This major object includes payments for construction, purchase, additions, alterations, enlargements, expansions, extensions, improvements, modifications, remodelings, renovations, and upgradings of buildings and other roofed and walled structures. Structural change projects enhance the value of buildings, increase their utility, or lengthen their useful life. It includes costs of affixed or non-movable component systems in buildings (both initial installations and replacement units), such as electrical, air conditioning, plumbing, communication, heating, transportation, and environmental systems. It excludes costs of initially furnishing buildings with non-affixed equipment, furniture, furnishings, and machinery; these costs are included in appropriate equipment accounts, i.e., major objects 5100, 5200, 5300, and 5500. This major object is normally associated with capital improvement budgets, but is used in operating budgets if the total cost of a qualifying completed project is at least $1000 and less than $50,000. Project costs of $50,000 or more are chargeable to this major object in capital improvements budgets. Projects which cost less than $1,000 are treated as acquisitions of “5500 Other Equipment” (when construction or purchase occur) or as “3500 Repairs and Maintenance” (when the above cited structural changes occur). All charges to this account are subject to capitalization in the fixed assets system.
5900 Other Capital Outlays: (Other Capital Outlay): This major object includes payments for non-equipment capital outlays not identified by major objects 5600, 5700, and 5800. It includes costs of highways, roads, bridges, parking lots and decks, sidewalks, road signs, building markers, landscaping, sewage systems, television transmission towers, other towers, tanks, wells, fences, water mains and hydrants, stadiums, tennis courts, swimming pools, and other qualifying items. This major object is normally associated with capital improvement budgets, but can be used in operating budgets if the total cost of a qualifying completed project is less than $50,000. Project costs of $50,000 or more are chargeable to this major object in capital improvements budgets. All charges to this account are subject to capitalization in the fixed assets system.

6000 Aids and Grants: This object class includes payments of financial aid to various authorized recipients. Payments can be in the form of contracts, grants, subsidies, state aid, or allocations.

6300 Aid to Governmental Units: (Aid to Govt Units): This major object includes payments of all types of financial aid to any governmental unit, such as counties, cities, towns, school districts, and fire districts.

6400 Construction Grants: This major object includes payments to non-state agencies for capital construction or acquisition of facilities used jointly for educational purposes by the non-state agency and The University and legally owned by the non-state agency.

6500 Educational Awards: This major object includes payments of scholarships, fellowships, grants, grants-in-aid, traineeships, and other similar financial awards to students enrolled in formal coursework, either for credit or noncredit. It excludes compensation for services rendered and monetary loans. The amounts paid to holders of assistantships, e.g., teaching assistants and research assistants, as compensation for services rendered are excluded from this classification, and are included in the appropriate expenditure account under object class 1000 Personnel Compensation.

6510 Appropriated Grants: This minor object includes payments of student financial assistance to North Carolina residents on the basis of documented financial need. Funding for these grants originated in the approved budget effective July 1, 1961 and was significantly increased by the 1991 General Assembly (House Bill #83 ratified July 13, 1991), both times in conjunction with tuition rate increases. These grants, which do not require repayment in services or cash, are supported exclusively by State appropriations and are often referred to as “non-service scholarships,” “scholarship grants,” and “tuition scholarships.” The eligibility and awarding requirements for these need-based grants are addressed in ADMINISTRATIVE MEMORANDUM #311 dated August 26, 1991. In addition to these requirements, the chancellor may impose a maximum dollar limit for each student grant as well as allocate a portion of this money to match Federal funds awarded to the institutional for educational grants and student loans.

6515 Need-Based Non-Resident Grants: This minor object includes payments of student financial assistance to non-resident students on the basis of documented financial need. Funding of these grants will be from campus-initiated tuition increase receipts, which are intended to hold affected non-resident students harmless as directed by the Board of Governors when campus-initiated tuition increases are approved.
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<th>Description</th>
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UNC General Administration
Object Codes Most Frequently Used

Object Codes That Are Used With Capital Improvement Accounts Only
(Account #s 8-18xxx)

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<td>5901</td>
<td>Equipment Contingency</td>
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<tr>
<td>5910</td>
<td>Planning Expenses</td>
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<tr>
<td>5920</td>
<td>Design Contracts</td>
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<tr>
<td>5930</td>
<td>Construction Contracts - Structure</td>
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<tr>
<td>5931</td>
<td>General Contracts</td>
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<td>5932</td>
<td>Electrical Contracts</td>
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<td>5933</td>
<td>Plumbing Contracts</td>
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<td>Masonry Contracts</td>
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<td>Roofing Contracts</td>
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<td>5936</td>
<td>Erosion Control Contracts</td>
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<tr>
<td>5937</td>
<td>Mechanical Contracts</td>
</tr>
<tr>
<td>5938</td>
<td>Landscaping Contracts</td>
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<tr>
<td>5939</td>
<td>Grading, Filling &amp; Clearing Contracts</td>
</tr>
<tr>
<td>5940</td>
<td>Construction Contracts - Equipment</td>
</tr>
<tr>
<td>5941</td>
<td>HVAC Contracts</td>
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<td>5942</td>
<td>Refrigeration Contracts</td>
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<td>5943</td>
<td>Elevator Contracts</td>
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<td>5944</td>
<td>Sprinkler Contracts</td>
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<td>5945</td>
<td>Tower Equipment</td>
</tr>
<tr>
<td>5950</td>
<td>Other Construction Costs</td>
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<tr>
<td>5951</td>
<td>Testing &amp; Boring</td>
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<tr>
<td>5952</td>
<td>Legal Fees &amp; Advertising</td>
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<tr>
<td>5953</td>
<td>Construction Site Survey</td>
</tr>
<tr>
<td>5954</td>
<td>Project Inspection Fees</td>
</tr>
<tr>
<td>5955</td>
<td>Miscellaneous Project Costs</td>
</tr>
<tr>
<td>5956</td>
<td>Travel</td>
</tr>
</tbody>
</table>
Chancellor Approved Project Information  
Kristen Crosson, UNC General Administration; 2/14/13

This document is intended to provide general information on a Chancellor Approved Project. Questions can also be addressed to UNC-General Administration staff. The authority to create a Chancellor Approved Project was created by G.S. 161-13.1(c) in Appendix A. This statute allows the chancellor of a constituent institution to approve the expenditure of available operating funds in a total amount not to exceed one million dollars ($1,000,000) per project for repairs to institution facilities, renovations to institution facilities, maintenance of those facilities, and related equipment purchases.

Creation/Administration  
The chancellor approves the project. After approval, the institution sends a memorandum to UNC-General Administration (UNC-GA) staff reporting the creation of the project. Included are the project name, purpose, cost, and source of operating funds (General Fund/appropriation or receipts).

The institution sets up the project in a manner that enables tracking the project budget. An example is for an institution to create a unique identifier (such as an org, fund, or a fund-org); and then move funds for the project to that unique identifier. In NCAS, expenditures are made from the necessary expenditure accounts for the project. The institution examines the project on a regular basis to address outstanding purchase orders and review available balances. At beginning of June, the budget and facilities offices determine the amount of funds to be expended by fiscal year end; and any remaining unexpended balance may be requested to be carried forward to the next fiscal year, subject to OSBM approval.

The statute requires “projects approved pursuant to this subsection shall in all other respects accord with applicable laws governing capital improvement projects”. Projects are reviewed for code compliance by the State Construction Office (SCO). If the fund source is requested on a SCO form, the general fund budget code can be entered along with a remark identifying the project as a Chancellor Approved Project as allowed by G.S. 116-13.1(c).

CarryForward  
The carryforward for Chancellor Approved Projects is separate from the SRCI 2.5% carryforward authorized by G.S. 116-30.3 and the energy savings carryforward authorized by G.S. 116-30.3B. An institution may have carryforward that includes the SRCI 2.5%, Chancellor Approved Projects, and energy savings. The Office of State Budget and Management (OSBM) requires a carryforward estimate about June 15 and the final amount about July 9 of each year. The carryforward request (budget revision) encumbers funds for the Chancellor Approved Projects in NCAS account 53 8940 in purpose 1180; and the funds are identified as Chancellor Approved Project carryforward in the remarks section of the budget revision.
In order to carry forward funds assigned to a Chancellor Approved Project, OSBM requires the funds to be contractually obligated or part of the contingency for the project. The project may include up to 5% for contingency. Calculate the total project construction amount, and then add 5% of that total amount as the contingency. OSBM requires copies of contracts for projects requesting to carry forward funds. OSBM has a Carryforward form for Chancellor Approved Projects (Appendix B) which requires the following:

- Project Name and Description
- R&R Category per G.S. 143C-4-3
- Contract Start Date
- Estimated Completion Date
- Total Amount of Contract
- Amount of Contract Unspent (this is carryforward amount request)

An institution may have internal contracts or expenses included in a project. OSBM may approve these expenses when provided with supporting information. An example of supporting information is in Appendix C. This is not a required OSBM form, but an institution may find it useful. The form captures both external and internal project expenses, and provides a calculation for 5% contingency.

**Project Information**

The below project information is helpful to track in order to answer any information requests. A sample form is found in Appendix D. Most information can be captured at project creation, and the carryforward/year-end expenditures would be available in July.

- Project Name
- Date Project Approved by Chancellor
- Estimated Completion Date
- Total Project Budget from All Fund Sources (appropriation + receipts)
- GF Budget Code
- General Funds (appropriation) Budgeted in Project as of 6/30/XX
- General Funds Contractually Obligated as of 6/30/XX
- General Fund Expenditures as of 6/30/XX
- General Funds Approved for Carryforward from Year 20XX-XX to Year 20XX-XX
- R&R Category for project (see G.S. 143C-4-3 for categories). Other categories allowed by the General Assembly are campus security and fire sprinklers.

**Calendar**

<table>
<thead>
<tr>
<th>Task</th>
<th>Date Due</th>
<th>Due to Who?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create Project</td>
<td>When Project created</td>
<td>Send memo to UNC-GA</td>
</tr>
<tr>
<td>Track Project Information</td>
<td>Start when Project created</td>
<td>-For Campus Use</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-If requested by UNC-GA</td>
</tr>
<tr>
<td>Carryforward ESTIMATE</td>
<td>About mid-June</td>
<td>OSBM</td>
</tr>
<tr>
<td>Carryforward FINAL</td>
<td>About beginning of 2nd week in July</td>
<td>OSBM</td>
</tr>
</tbody>
</table>
APPENDIX

A. Statute

§116-13.1. Capital facilities; reports; chancellors may authorize certain repair, renovation, and maintenance projects.

(a) The General Assembly finds that although The University of North Carolina is one of the State's most valuable assets, the current facilities of the University have been allowed to deteriorate due to decades of neglect and have unfortunately fallen into a state of disrepair because of inadequate attention to maintenance. It is the intent of the General Assembly to reverse this trend and to provide a mechanism to assure that the University's capital assets are adequately maintained. The General Assembly commits to responsible stewardship of these assets to protect their value over the years, as follows:

(1) The Board of Governors of The University of North Carolina shall require each constituent and affiliated institution to monitor the condition of its facilities and their needs or repair and renovation, and to assure that all necessary maintenance is carried out within funds available.

(2) Repealed by Session Laws 2012-142, s. 9.4(e), effective July 1, 2012.

(3) It is the intent of the General Assembly to assure that adequate oversight, funding, and accountability are continually provided so that the capital facilities of the University are properly maintained to preserve the level of excellence the citizens of this State deserve. To this end, the Joint Legislative Education Oversight Committee shall report to the General Assembly annually its recommendations for legislative changes to implement this policy.

(b) Equity in University Improvements. — The Board of Governors of The University of North Carolina shall continue to study and monitor any inequities in funding for capital improvements and facilities needs which may still exist on North Carolina's Public Historically Black Colleges and Universities and North Carolina's Historically American Indian University, the University of North Carolina at Pembroke, beyond the funding of the projects provided for in this act, and shall report annually to the Joint Legislative Commission on Governmental Operations on any remaining inequities found, including recommendations as to how those inequities should be addressed.

(c) Approval of Certain Repair and Maintenance Projects. — Notwithstanding G.S. 143C-8-7, the chancellor of a constituent institution may approve the expenditure of available operating funds in an amount not to exceed one million dollars ($1,000,000) per project for repairs to institution facilities, renovations to institution facilities, maintenance of those facilities, and related equipment purchases. Funds contractually obligated to an approved project shall not revert at the end of the fiscal year and will remain available to fund the completion of the project. Projects approved pursuant to this subsection shall in all other respects accord with applicable laws governing capital improvement projects. (2000-3, ss. 1.1, 8; 2005-153, s. 2; 2011-145, s. 9.6C; 2012-142, s. 9.4(e).)
### JUNE 15 CARRY FORWARD ESTIMATE

Chancellor Approved Capital Projects: G.S. 116-1 (c) permits the Chancellor of a constituent institution to approve the expenditure of up to $1 million for repairs and renovations to the institution's facilities.

<table>
<thead>
<tr>
<th>Campus</th>
<th>Budget Code</th>
<th>Item Name and Description</th>
<th>Category of Repair or Renovation (as defined in G.S. 116-1(c)</th>
<th>Contract Start Date</th>
<th>Estimated Completion Date</th>
<th>Total Amount of Contract</th>
<th>Amount of Contract Unspent = Carry Forward Request</th>
<th>Notes (include full description if necessary):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

**Total Campus Request:**

- **Amount:** 0

Please attach a copy of the contract for each item listed above. (Also include documentation of contract start date, amount of contract, and authorized signatures)

<table>
<thead>
<tr>
<th>Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>E Mail:</td>
</tr>
<tr>
<td>Telephone:</td>
</tr>
</tbody>
</table>

**CATEGORY REQUIRED**

- Roof repairs and replacements
- Structural Repair
- Meet federal and state standards
- Electrical, plumbing, and HVAC
- Meet ADA requirements
- Meet Fire Safety Needs
- Energy efficiency improvements
- Accessibility and convenient amenities
- Improve use of existing space
- Architectural restoration
- Roads, sidewalks, driveways, infrastructure
- Drainage and landscape improvements
## Project Name

**Construction Category:** Enter Category from G.S. 143C-4-3

**Construction Start Date:** Enter Date  
**Scheduled Construction Completion Date:** Enter Date

### Campus Project - Project Number: XX-XXXX

<table>
<thead>
<tr>
<th>Contract Type</th>
<th>Contract Purpose</th>
<th>Company/Vendor</th>
<th>Contracted Budget Allocations</th>
<th>Expenditures As Of June 30, 2013</th>
<th>Unexpended Contract Budget = Carry Forward Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Contract Purchase Order</td>
<td>Purchase Order #</td>
<td>$</td>
<td>$</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>Contract Purchase Order</td>
<td>Purchase Order #</td>
<td>$</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>Contract Purchase Order</td>
<td>Purchase Order #</td>
<td>$</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Sub Project Totals: $ -  
$ -  
$ -

### Total All Vendor CONTRACTS Allocations and Expenditures: $ -  
$ -  
$ -

### Internal CONTRACTS and EXPENSES

#### Project Numbers: XX-XXXX

<table>
<thead>
<tr>
<th>Shop</th>
<th>Purpose of Work</th>
<th>Budget Allocations</th>
<th>Expenditures As Of June 30, 2012</th>
<th>Unexpended Budget = Carry Forward Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shop: XXXX</td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>2</td>
<td>Shop: XXXX</td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>3</td>
<td>Shop: XXXX</td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>4</td>
<td>Shop: XXXX</td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Internal Contracts Allocations and Expenditures: $ -  
$ -  
$ -

**TOTAL CONSTRUCTION COST:** $ -  
$ -  
$ -

**Project Contingency**

Construction Contingency (Up to 5.0%)

<table>
<thead>
<tr>
<th>(Enter Percent Above)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.0%</td>
</tr>
</tbody>
</table>

$ -  
$ -  
$ -

Total PROJECTS Allocations and Expenditures: $ -  
$ -  
$ -
# Electrical Upfit - ABC Building

**Construction Category:** Improve use of existing space

**Construction Start Date:** Wednesday, May 01, 2013  
**Scheduled Construction Completion Date:** Tuesday, August 20, 2013

## Campus Project - Project Number: 11-0357

<table>
<thead>
<tr>
<th>Contract Type</th>
<th>Contract Purpose</th>
<th>Company/Vendor</th>
<th>Contracted Budget Allocations</th>
<th>Expenditures As Of June 30, 2013</th>
<th>Unexpended Contract Budget = Carry Forward Request</th>
</tr>
</thead>
</table>
| 1 Contract Purchase Order | Electrical Construction Contract  
P1234064  
Purchase and Install Electrical Equipment  
Change Order Number: 0001 | Sample Electric, LLC  
Original Contract Amount: $19,775.00  
S specialty Rock Drilling Equipment. - Add: $3,625.00 | $23,400.00  
$19,775.00  
$3,625.00 | $23,400.00 | $23,400.00 |
| 2 Contract Purchase Order | Soil Testing Consulting Company  
P1236096  
Soil Testing | Sample Soil, Inc. | $2,200.00 | $2,200.00 | $2,200.00 |
| 3 Contract Purchase Order | Communications System Commissioning  
P1234063  
System Commissioning | Sample Communications, Inc. | $350.00 | $350.00 | $350.00 |

**Sub Project Totals:**  
$25,950.00

**Total All Vendor CONTRACTS Allocations and Expenditures:** $25,950.00

**Internal CONTRACTS and EXPENSES**

**Electrical Upfit - ABC Building**

<table>
<thead>
<tr>
<th>Shop</th>
<th>Purpose of Work</th>
<th>Budget Allocations</th>
<th>Expenditures As Of June 30, 2012</th>
<th>Unexpended Budget = Carry Forward Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Shop: MOOD</td>
<td>Power Distribution - Utility Locates</td>
<td>Electrical Locates</td>
<td>$709.00</td>
<td>$230.43</td>
</tr>
<tr>
<td>2 Shop: MOOD</td>
<td>Steam - Utility Locates</td>
<td>Mechanical Systems Locates</td>
<td>$556.48</td>
<td>$34.78</td>
</tr>
<tr>
<td>3 Shop: MDOD</td>
<td>Grounds - Utility Locates</td>
<td>Irrigation Locates - Contractor Support</td>
<td>$677.50</td>
<td>$-</td>
</tr>
<tr>
<td>4 TELECOM</td>
<td>Campus ITS Telecom</td>
<td>Telecommunication - Data Systems Locates</td>
<td>$240.00</td>
<td>$85.25</td>
</tr>
</tbody>
</table>

**Internal Contracts Allocations and Expenditures:**

$2,182.98  
$350.46  
$1,832.52

**TOTAL CONSTRUCTION COST:**

$28,132.98  
$350.46  
$27,782.52

**Project Contingency**

Construction Contingency (Up to 5.0%)

5.0% ($1,406.65)  
($- $1,406.65)

**Total PROJECTS Allocations and Expenditures:**

$55,489.63  
$350.46  
$55,139.17
<table>
<thead>
<tr>
<th>Institution</th>
<th>Project Name</th>
<th>Date Approved by Chancellor</th>
<th>Approved by the Chancellor</th>
<th>Total Project Amount ($)</th>
<th>Project Completion Date</th>
<th>Beneficial Occupancy</th>
<th>GF Project Code</th>
<th>General Funds Authorization</th>
<th>GF Project Amount ($) as of June 30, 2013</th>
<th>General Funds Contractually Obligated as of 6/30/13</th>
<th>General Fund Expenditures as of 6/30/13</th>
<th>General Funds Approved for Carryforward from 2012-13 into 2013-14</th>
<th>GF Amount Remaining to be Funded after Carryforward Approval</th>
<th>R&amp;R Category (per G.S. 143-14-3)</th>
<th>Notes</th>
</tr>
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**APPENDIX D**

Information for Chancellor Approved Projects per G.S. 116-13.1(c)
CAPITAL PROJECT PROCESS
DESIGNER SELECTION PHASE

Project Authorized and Funded

OC-25 Approved

CI-1/OC-25 Submitted

Designer Selection

Project Cost > or = $500,000

Yes

Advertise for Designers

Review proposals, interview, complete Trustee approval processes. Post selection in CAPSTAT.

Negotiate, complete, and execute contract (projects <$2M) or engage SCO to do so (over $2M)

Post selection outcome on web, update CAPSTAT.

No

Select designer of choice or use open-end design agreement

Prepare full or letter agreement as appropriate and other documents as institution requires to process payments

Continue to project design phase (next page)
§ 133–1.1. Certain buildings involving public funds to be designed, etc., by architect or engineer.  

(a) In the interest of public health, safety and economy, every officer, board, department, or commission charged with the duty of approving plans and specifications or awarding or entering into contracts involving the expenditure of public funds in excess of:

(1) Three hundred thousand dollars ($300,000) for the repair of public buildings where such repair does not include major structural change in framing or foundation support systems, or five hundred thousand dollars ($500,000) for the repair of public buildings by The University of North Carolina or its constituent institutions where such repair does not include major structural change in framing or foundation support systems,

(1a) One hundred thousand dollars ($100,000) for the repair of public buildings affecting life safety systems,

(2) One hundred thirty-five thousand dollars ($135,000) for the repair of public buildings where such repair includes major structural change in framing or foundation support systems, or

(3) One hundred thirty-five thousand dollars ($135,000) for the construction of, or additions to, public buildings or State-owned and operated utilities, shall require that such plans and specifications be prepared by a registered architect, in accordance with the provisions of Chapter 83A of the General Statutes, or by a registered engineer, in accordance with the provisions of Chapter 89C of the General Statutes, or by both architect and engineer, particularly qualified by training and experience for the type of work involved, and that the North Carolina seal of such architect or engineer together with the name and address of such architect or engineer, or both, be placed on all these plans and specifications.

(b) (1) On all projects requiring the services of an architect, an architect shall conduct frequent and regular inspections or such inspections as required by contract and shall issue a signed and sealed certificate of compliance to the awarding authority that:

a. The inspections of the construction, repairs or installations have been conducted with the degree of care and professional skill and judgment ordinarily exercised by a member of that profession; and

b. To the best of his knowledge and in the professional opinion of the architect, the contractor has fulfilled the obligations of such plans, specifications, and contract.

(2) On all projects requiring the services of an engineer, an engineer shall conduct frequent and regular inspections or such inspections as required by contract and shall issue a signed and sealed certificate of compliance to the awarding authority that:

a. The inspections of the construction, repairs, or installations have been conducted with the degree of care and professional skill and judgment ordinarily exercised by a member of that profession; and

b. To the best of his knowledge and in the professional opinion of the engineer, the contractor has fulfilled the obligations of such plans, specifications, and contract.

(3) No certificate of compliance shall be issued until the architect and/or engineer is satisfied that the contractor has fulfilled the obligations of such plans, specifications, and contract.

(c) The following shall be excepted from the requirements of subsection (a) of this section:

(1) Dwellings and outbuildings in connection therewith, such as barns and private garages.

(2) Apartment buildings used exclusively as the residence of not more than two families.

(3) Buildings used for agricultural purposes other than schools or assembly halls which are not within the limits of a city or an incorporated village.

(4) Temporary buildings or sheds used exclusively for construction purposes, not exceeding 20 feet in any direction, and not used for living quarters.

(5) Pre-engineered garages, sheds, and workshops up to 5,000 square feet used exclusively by city, county, public school, or State employees for purposes related to their employment. For pre-engineered garages, sheds, and workshops constructed pursuant to
this subdivision, there shall be a minimum separation of these structures from other
buildings or property lines of 30 feet.

(d) On projects on which no registered architect or engineer is required pursuant to the provisions
of this section, the governing board or awarding authority shall require a certificate of compliance with the State
Building Code from the city or county inspector for the specific trade or trades involved or from a registered
architect or engineer, except that the provisions of this subsection shall not apply to projects where any of the
following apply:

(1) The plans and specifications are approved by the Department of Administration, Division
of State Construction, and the completed project is inspected by the Division of State
Construction and the State Electrical Inspector.

(2) The project is exempt from the State Building Code.

(3) The project has a total projected cost of less than $100,000 and does not alter life safety
systems.

(e) All plans and specifications for public buildings of any kind shall be identified by the name and
address of the author thereof.

(f) Neither the designer nor the contractor involved shall receive his final payment until the required
certificate of compliance shall have been received by the awarding authority.

(g) On all facilities which are covered by this Article, other than those listed in subsection (c) of this
section and which require any job-installed finishes, the plans and specifications shall include the color
schedule. (1953, c. 1339; 1957, c. 994; 1963, c. 752; 1973, c. 1414, s. 2; 1979, c. 891; 1981, c. 687; 1983
(Reg. Sess., 1984), c. 970, s. 1; 1989, c. 24; 1997–412, s. 11; 1998–212, s. 11.8(e); 2001–496, ss. 6, 8(e);
2003–305, s. 1; 2005–300, s. 1; 2007–322, s. 1.)
CAPITAL PROJECT PROCESS
PROJECT DESIGN PHASE

Program Development

Site selection and Trustee approval process for site

Schematic Design

Design Work → Schematic Design Submission

Institution receive, review, approve Schematic Design Submission prior to further reviews.

Review and Approvals
*SCO Code Compliance only, as applicable
*SCO (if >$2M)
*Other agencies if applicable

Design Development

Design Work → Design Development Submission

Institution receive, review, approve Design Development Submission prior to further reviews.

Review and Approvals
*SCO Code Compliance only, as applicable
*SCO (if >$2M)
*Other agencies if applicable

Construction Drawings

Design Work → Construction Drawings Submission

Institution receive, review, approve Working Drawing Submission prior to further reviews.

Review and Approvals
*SCO Code Compliance only, as applicable
*SCO (if >$2M)
*Other agencies if applicable

SCO Final Approval

Set bid date. Continue to Construction Phase (next page)
CAPITAL PROJECT PROCESS
CONSTRUCTION PHASE

Advertise for Bids

Open Bids

Successful Bid? Yes

Award Request Letter
*To UNC-GA $500,000 to $2M w/all documentation
*To SCO over $2M w/all documentation cc UNC-GA also with all documentation

Note: If bids are below threshold, awarding authority remains as initially established.

Yes

Successful post-bid negotiations? Yes

Receive letter of award
*UNC-GA $500,000 to $2M
*SCO over $2M

Prepare and execute contract documents
*Institution with legal counsel $500,000 to $2M
*SCO with Atty Gen over $2M

Issue Notice to Proceed
Hold preconstruction conference
Mobilization

Construction

Final Inspections
*Institution/Designer
*SCO

Project acceptance and notifications (Trustees must officially accept)

Project Close-out
*Final Report
*As-buils
*Evaluations

Project Completion

Redesign and rebid
The Players

Chancellors
- Approval of projects using operating funds, not to exceed $1M
- Emergency declarations

Trustees
- Selection of architects or engineers
- Selection of CM at Risk firms
- Selection of Energy Service Companies for Performance Contracts
- Approval of building sites
- Approval of plans and specifications
- Final acceptance of completed projects
- Maintaining a master plan (five-year cycle)
- Real property leases with annual rent less than $50,000 (trustees or chancellors)

Board of Governors
- Administration of design and construction of capital improvement projects <$2,000,000 (delegated to campuses)
- Capital project approval above President’s delegated authority ($500,000)
- R&R allocations and projects list
- Performance contract project authorization and financing approval

UNC President
- Real property leases between $50,000 and $350,000 in annual rental for terms of up to five years
- Acquisition of real property by lease provided the term is not more than 10 years
- Acquisition or disposition of real property for amounts between $50,000 and $500,000
- Approval of capital improvement projects costing $500,000 or less

Council of State
- Interest in land other than leases of limited dollar value/term, such as easements, acquisition or disposition
- Leases above delegation values noted above
- Approval of performance contract scope, term, and financing

Joint Legislative Commission on Governmental Operations (known as “Gov Ops”)
- Approves allocation project list for Repairs and Renovations
- Receives legislatively mandated reports such as HUB participation (G.S. 143-128.3)
- Consulted on advance planning requests between biennial budget cycle submissions
- Consulted on non-general, non-debt funded projects between biennial budget cycles

Office of State Budget and Management
- Certifying budget availability for capital project awards >$2M
- Budget analysis and execution
- Authorizing budget revisions within limitations
State Construction Office (G.S. 143-341)
- Examining and approving all plans and specifications prior to award and all changes after contract award (over $2M for UNC projects)
- Examining and approving all plans as to North Carolina building code compliance, regardless of project dollar value. State Building Code “authority having jurisdiction” over University projects.
- Final inspections for code compliance in State-owned buildings
- Electrical inspections in State-owned buildings
- Scheduling a “stakeholders” meeting within three weeks of designer selection to define the terms of a memorandum of understanding (G.S. 143-135.26(2). This meeting may be omitted if the institution requests
- Preparing preliminary studies and cost estimates in preparation for appropriation requests (i.e. OC-25s)
- Supervising the letting of all contracts for design, construction, or renovation of all State buildings (over $2M for UNC projects)
- Supervising and inspecting all work done and materials used in construction or renovation of all State buildings (over $2M for UNC projects)
- Approving work for acceptance (over $2M for UNC projects)
- Requiring the use of existing plans and specifications where feasible

Department of Labor
- Elevators
- Pressure Vessels

State Property Office
- Acquiring/Disposing of real property
- Property leases

North Carolina Department of Environment and Natural Resources (DENR)
- Enforcing environmental laws
- Permitting, including storm water permitting

State Environmental Review Clearinghouse
- Managing the NC Environmental Review Process

State Purchase and Contract Division (G.S. 143-49)
- Acquiring equipment, materials, and supplies for all agencies, including printing, rentals, leases and services
- Establishing and enforcing purchase specifications
- Inspecting and testing of products, delegated to UNC President for certain commodities

State Department of Transportation
- Encroachment agreements
- Other agreements, as appropriate, involving capital projects

Other State Agencies May be Involved
Local Municipality

- Zoning, including Special Use Permits
- Roadways
- Utilities
Chapter 100 - The Code and Policies of the University

100.1 The Code of the Board of Governors of the University of North Carolina

100.2 Adoption of the Policy Manual, Rescission of Prior Policies and Promulgation of Policies

100.2[G] 100.2[G] Guidelines for Proposing Policies of the Board of Governors and Regulations and Guidelines by the President

100.3 - Appellate Review

100.3.2[G] Renumbered as 700.4.3[G]

100.4 - Umstead Act Exceptions

100.4 100.4 Review of Umstead Act Exceptions
Design, Construction and Financing of Capital Improvement Projects

A. The 1997 Session of the General Assembly delegated to the Board of Governors the authority for the administration of design and construction of certain capital improvement projects. This delegation limit was increased to projects estimated at $2,000,000 or less by the 2002 Session of the General Assembly. The board was also authorized to delegate that authority to constituent institutions of the University of North Carolina and to the North Carolina School of Science and Mathematics, if an institution is qualified under procedures developed in consultation with the director of the Budget and the State Building Commission. Pursuant to this authority, regulations entitled “The University of North Carolina Design and Construction Guidelines” were implemented to provide assistance to the constituent institutions in the administration of the design and construction of capital improvement projects. Copies of the guidelines may be obtained at UNC General Administration.

B. The Board of Governors must approve all capital improvement projects that are projected to cost more than $250,000$500,000$ except as noted in D. below. Capital improvement projects which are projected to cost $250,000 or less between $300,000 and $500,000 must be approved by the president. Projects below $300,000 may be approved by the campus. The president will provide notice of projects that the president intends to approve under this provision to the members of the Committee on Budget and Finance at least one week prior to authorizing the project; and

C. After the long term financing of a capital improvement project has been approved in accordance with statutory requirements, the president may approve interim financing or bank loans as a means of short term financing. The president shall report any such actions to the Committee on Budget and Finance at its next meeting.

D. The Chancellor of a campus may approve a project for alteration, renovation, maintenance or repair work on a campus facility up to one million dollars ($1,000,000) using appropriated operating funds. (Such a project is not considered a capital improvement but must be accomplished under the rules governing capital improvement projects.) The funds designated for such a project will remain available beyond the current fiscal year in order to complete the project, provided that it is under construction by June 30.

\[\text{Pursuant to NCGS §116-11(13), and notwithstanding The Code or any other Board of Governors policy, the Board of Governors has delegated certain authorities to the President of the University. See Policy 200.6, Delegation Authority to the President of the University, adopted 11/13/06.}\]
Delegation of Authority to the President

A. Pursuant to NCGS §116-11(13) and other North Carolina law as referenced herein, and notwithstanding The Code or any other Board of Governors policy\(^1\) the Board of Governors delegates the following authorities to the President of the University:

1. Personnel
   a. Authority to appoint and set the salaries of Senior Academic and Administrative Officers (§300.1.1 and §600.3.4) and other employees exempt from the State Personnel Act (§300.2.1) serving within the UNC General Administration.
   b. Authority to set salary ranges for Senior Academic and Administrative Officers of the constituent institutions of University (§600.3.4).
   c. Authority to approve conferrals of tenure and to set salaries of faculty, Senior Academic and Administrative Officers, except the chancellors, and other employees exempt from the State Personnel Act at campuses that do not have Management Flexibility to Appoint and Fix Compensation as long as those salaries are within the established salary ranges and are not raises in excess of 15% and $10,000 higher than the salary in effect at the end of the last fiscal year. (§§300.1.1 and 600.3.4; Code §602).
   d. Authority to approve all actions relating to the administration of the Optional Retirement Program (G.S. §135-5.1) and the Phased Retirement Program (§300.7.2).
   e. Authority to approve salary increases in excess of $10,000 and 15% for faculty members who are receiving salary increases funded through the Faculty Recruitment and Retention Fund.

2. Governance
   a. The authority to approve the initiation of a lawsuit in the name of the University if the action is for monetary relief and the amount in controversy is less than $250,000. (§200.5)
   b. The authority to settle a lawsuit that has been filed by or against a constituent institution or the University of North Carolina, if the settlement is solely for monetary relief and the amount the University is to pay pursuant to the settlement is less than $250,000 or, if the University is to receive a payment, the amount the University claimed is less than $250,000. (§200.5)
   c. Authority to approve the political activities of employees of the University who are candidates for or serving in public office (§300.5.1).

3. Reports
   a. The authority to approve and submit any report the University or the Board of Governors is required to submit to the General Assembly, the State Board of Education or any other State agency or officer.

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\(^1\)The Secretary of the University is authorized to annotate the referenced policies and regulations to cross-reference these delegations.
4. Real Property
   a. Except as authorized by b. below, authority to approve leases with at least $50,000\(^2\) but less than $350,000 annual rental for a term of up to five years, subject to approval by the Department of Administration and the Governor and Council of State (§§600.1.3 and 600.1.4[R]).
   b. Authority to approve the acquisition or disposition of real property by lease without the approval of the Department of Administration, the Governor and Council of State if the lease is for a term of not more than 10 years. The President's authority may be exercised in the President's discretion on behalf of General Administration, University affiliates or the constituent institutions. (G.S. 116-31.12, and Policy §§600.1.3.1 and 600.1.3.1[R]).
   c. Authority to approve acquisition or disposition of an interest in real property, other than a lease, for an amount of at least $50,000 but less than $500,000 (§§600.1.3 and 600.1.4[R]).
   d. Authority to approve capital improvement projects that are projected to cost $500,000 or less. The President must provide notice of projects the president intends to approve under this provision to the Committee on Budget and Finance at least one week prior to authorizing the project. (§600.1.1).

5. Institutional Trust Funds
   a. Authority to delegate to the chancellors management of institutional trust funds (600.2.4 and 600.2.4.1).

B. The President will report all actions taken under the authority of these delegations to the appropriate Committee of the Board of Governors either in writing before the next regular meeting of the Board of Governors or at the next regular meeting of the Board of Governors.

C. These delegations will remain in effect unless and until the Board of Governors rescinds them in whole or in part.

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\(^2\)Note that leases with annual rent less than $50,000 may be approved by the boards of trustees or the chancellors without further approval by the Board of Governors or the President. See Regulation §600.1.4[R].
Latest News


http://www.osbm.state.nc.us/
Recent News

2013-14 Repair & Renovation Reserve Project List (pdf)

Design Review Status and Construction Status has been relocated to the Interscope dropdown menu.

SCO Energy Benchmarking Project (revised 9/30/13)

Congratulations to our 2013 Frank B. Turner Award recipient, Gerald J. Knott, as well as the State Building Commission Certificate of Merit recipients! View the DDA press release with a complete list of recipients.

UPDATED Fire Alarm System Checklist, March 2013


The Division of State Construction: A History by John H. Emerson, P.E.

SBC Resolution on Design/Build Construction

Tent or Canopy Permit (See “Other”)
Engineering and Codes

Choose the area that best identifies what you are looking for:

- State Building Codes
- Code Enforcement Resources
- Code Education Resources
- Code Enforcement Officials (CEO) Certification Tools
- Home Inspector Licensure Tools

 Boards and Councils

- Building Code Council
- Code Officials Qualification Board
- Home Inspectors Licensure Board

Engineering Newsletters

- March 1, 2013 - DOI ENGINEERING NEWSLETTER
- December 21, 2012 - DOI ENGINEERING NEWSLETTER
- October 25, 2012 - DOI ENGINEERING NEWSLETTER
- July 30, 2012 - DOI ENGINEERING NEWSLETTER
- May 30, 2012 - DOI ENGINEERING NEWSLETTER

Directory

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Prepares instruction and teaching materials for instructors.

Provides plan review for city and county buildings in accordance with General Statute 58-31-40 and provides interpretations for compliance with the North Carolina State Building Code.
HUB Office staff are available to assist firms with becoming certified as historically underutilized businesses. In addition, the HUB Office provides outreach, training, and networking opportunities for new and established HUB firms. This website provides access to our programs and core services, HUB vendor/firm database, upcoming bids with various state agencies and public entities, HUB Annual Reports, HUBSCO Construction Reporting System, the latest news and calendar information for training and conference sessions.
Tell us how we’re doing
Click here to give us your feedback on how we’re doing and how we can improve.

Please take our short online survey.

Data, Statistics, Reports and Maps
Governor’s Land Compatibility Task Force Report
(https://portal.ncdenr.org/c/document_library/get_file?uuid=45f4d2b1-4f4a-47b3-a8b0-0a9555823b8b&groupId=47115098)
Air Quality Forecast,
(http://www.ncair.org/airaware/forecast/)

Financial Assistance and Tax Credits
Permits, Licenses and Certification
Wetlands Data
Rules, Policies, Laws and Regulations
Technical Assistance and Information
Museum Research

DENR Attractions

Latest News
See All News Releases (http://portal.ncdenr.org/web/guest/news-releases)

- DWQ approves water quality certificate for... (05/15/2013)
  (http://portal.ncdenr.org/c/journal/view_article_content?
groupId=47115098&articleId=12662981)

- N.C. Coastal Management to conduct train... (05/15/2013)
  (http://portal.ncdenr.org/c/journal/view_article_content?
groupId=47115098&articleId=12655171)

- Green Square State Division of Waste Management to ho... (05/10/2013)
  (http://portal.ncdenr.org/c/journal/view_article_content?
groupId=47115098&articleId=12575943)

Shale Gas N.C. Drought Coal Ash Mission Statement

(https://portal.ncdenr.org/web/guest/shale-gas)
(Following General Assembly ratification in July 2012 of the “Clean Energy and Economic Security Act,” or Session Law 2012-143,

...more (https://portal.ncdenr.org/web/ir/energy)

N.C. DENR Regional Offices map - Select a regional office near you
(https://portal.ncdenr.org/web/guest/regional-offices) or click on a region on the map above to learn more about your closest DENR regional office

SaveWaterNC.org
(http://www.SaveWaterNC.org)
NC.gov
(http://www.NC.gov)
NCOpenBook.gov
(http://www.NCOpenBook.gov)

5/19/2013
State Environmental Review Clearinghouse

The State Environmental Review Clearinghouse manages the N.C. Intergovernmental Environmental Review process. The primary purpose of the process is to notify potentially affected state/local agencies and the public of proposed state development activities in their jurisdiction. Further, the process offers a means for agencies with expertise and/or the public to review the environmental assessment/impact documents prepared for the proposed activity and offer comments regarding the adequacy/accuracy of the impact analysis. The process should provide decision makers with the information that would enable them to make an informed decision of the environmental consequences of their actions. This process is not to veto a proposed activity but to offer input as to the environmental consequences of that action.

The State Environmental Review Clearinghouse also assists federal agencies in meeting their requirements under the National Environmental Policy Act (NEPA). Federal agencies are encouraged by federal regulation to use State Clearinghouses (where available) as a means of making available their impact documents to state/local agencies and the public for review and comment.
State Property Office

The primary mission of the State Property Office is to administer the acquisition and disposition of all state-owned land or any interest by deed, lease, easement, or allocation; manage the State's submerged lands; and maintain an accurate inventory of state lands and buildings.

Property for Sale

View Property for Sale
Welcome to Purchase & Contract

The State of North Carolina purchases a wide variety of products and services with a total value of over four billion dollars annually. The Division of Purchase & Contract is the central purchasing authority for all state departments, institutions, agencies, universities, and community colleges. It also makes certain services available to local governments, public school systems, private colleges and universities, and other non-state entities.

Purchase and Contract establishes term contracts and disseminates information on these via the Internet and through searchable electronic catalogs. By combining statewide demand for commonly used items into one contract, the division helps users save money and eliminates the need for each agency to solicit separate bids.

The Division also provides training to procurement professionals and vendors, technical assistance on specifications and qualified products, compliance reviews, and inspections. Procurements are publicized online via the Interactive Purchasing System (IPS), which lists solicitations from all state departments and campuses, plus public schools and some local governments. Registration through Vendor Link NC provides e-mail notification of bidding opportunities.

NC E-Procurement @ Your Service is the
Selected Statues related to Capital Project Processes

G.S. 143 – State Departments, Institutions, and Commissions

G.S. 143C Executive Budget Act

G.S. 143C-4-3 Repairs and Renovations Reserve Account

G.S. 143C-6-7 Compliance with Chapter and appropriation acts (funds to be expended as legislation authorizes)

G.S. 143C-8-1 (and following) – Budgeting Capital Improvement Projects - See State Budget Manual for complete list and text of statutes.

G.S. 143C-8-7 – When a State agency may begin a capital improvement project.

G.S. 143-C-8-8 – When a State agency may increase the cost of a capital improvement project.

G.S. 143-C-8-9 – When a State agency may change the scope of a capital improvement project.

G.S. 143C-8-11 – Reversion of appropriation and lapse of project authorization.
   - Projects shall start planning or construction during the fiscal year in which funds are appropriated
   - Appropriations may revert if not started on time
   - May allow 12-month extension on request
   - Project authorization lapses if appropriation reverts as above or construction doesn’t begin within two fiscal years

G.S. 143C-8-12 – University system capital improvement projects from sources that are not General Fund sources: approval of new project or change in scope of existing project.
   - Budget may authorize planning, expenditures, or increase in scope after consultation with Joint Legislative Commission on Governmental Operations

G.S. 143-48-Article 3 Purchase and Contracts
   - State policy in promoting the use of small, minority, physically handicapped and women contractors in purchasing goods and services

G.S. 143-128.2 Minority business participation goals
   - State policy in promoting the use of minority businesses in building projects

G.S. 143-48.4 and G.S. 143-128.4 Statewide Uniform Certification of Historically Underutilized Businesses
G.S. 143-Article 3B (G.S. 143-64.10 and following) - Conservation of Energy, Water, and Other Utilities in Government Facilities
  • Life cycle cost analysis

Session Law 2007-546 and G.S. 143-135.35 and following - Conservation of Energy and Water Use in State, University, and Community College Buildings
  • Energy and water conservation reduction goals
  • Energy efficient and water conservation design
  • Commissioning
  • Measurement and verification

G.S. 146-23.2 Purchase of buildings constructed or renovated to energy-efficient standard

G.S. 143-64.17 and G.S. 143-129.4 Guaranteed Energy Savings Contracts

G.S. 142-60 and following - State Energy Conservation Finance Act
  • Debt financing for installation of energy conservation measures
  • Payment of debt from savings
  • Maximum term of 20 years

G.S. 83A - Architects

G.S. 89C - Engineers and Land Surveyors

G.S. 133-1.1 - When an architect/engineer is required

G.S. 143-Article 3D (G.S. 143-64.31 and following) - Procurement of A/E and Construction Manager at Risk Services
  • Not based on bid prices, negotiated
  • Under 500,000 for UNC exempt from procedure

G.S. 143-64.01 (and following) - Surplus Property

G.S. 143-128 - Public contracts

G.S. 143-129 - Public bids
  • Advertising
  • Opening and award
  • Bonds

G.S. 143-129.1 - Bid withdrawal

G.S. 143-131 - Informal bids ($30,000 threshold)

G.S. 143-132 - Minimum number of bids for public contract (three bids)
G.S. 143-133 – No evasion permitted (no splitting projects)

G.S. 143-134.1 – Interest on final payments/Retainage Requirements
- 1% per month after 45 days
- No delay in payment because of another prime
- Subs must be paid in 7 days
- Retainage on subs same as prime

G.S. 143-134.2 – Actions by contractor on behalf of subcontractor

G.S. 143-134.3 – No damage for delay cause

G.S. 143-135 – Force account limits
- ($200,000 for UNC or total cost of labor <$100,000)

G.S. 143-135.1 – Local inspections (State building exempt from county/municipal requirements)

G.S. 143-135.3 – Claims

G.S. 143-135.5 – Disadvantaged contractors

G.S. 143-135.7 – Safety officers

G.S. 143-135.8 – Prequalification

G.S. 143-Article 8B (G.S. 143-135.25 and following) – State Building Commission

G.S. 143-135.27 and G.S. 143C-1-1(d)(5) – Definition of a Capital Improvement Project

G.S. 143-136 (and following) – Building Code Council and Building Code

G.S. 143-341 – Department of Administration Act
- Powers and duties of State Construction Office

**G.S. 133 – Public Works**
- Employment of architects
- Certain buildings involved in public funds
- Drawing of plans by material supplier
- Competitive Items (preferred brand alternates)
- Violation results in license withdrawn for a period of 1 year
- Governmental agency definition
- Civil damages
- Perjury, punishment
G.S. 133-23 – Regulation of Contractors for Public Works

G.S. 133-3 – Specifications to carry competitive items; substitution of materials (i.e. Preferred Alternates)

G.S. 133-32 – Gifts and favors regulated

G.S. 116 – Higher Education

G.S. 116-31.11 – Power of Board regarding Capital Improvements (“Download”)

G.S. 116D – Higher Education Bonds

G.S. 44A-26 – Performance and payment bonds
  • When required
  • Who can issue
  • Form

G.S. 160A-392 – Part applicable to buildings constructed by State (State land not in overlay or special district without Council of State approval)

5/20/2013
1. **Guaranteed Energy Savings (“Performance”) Contracts** - 2002 – House Bill 623 (Session Law 2002-161) “An act to promote energy efficiency in State owned buildings.” This legislation affected Article 3B of GS 143 addressing Guaranteed Energy Savings Contracts (performance contracts) and established Article 8, “State Energy Conservation Finance Act” (GS 142-60 through 70). GS 143-129.4 and 133.4.1 were also affected. Highlights:

- Outlines procedures for soliciting and reporting on guaranteed energy savings contracts
- Permits lease/purchase for energy conservation measures
- Establishes $50M authority for aggregate guaranteed energy savings contracts, subsequently revised to $500M

2. **Energy Efficiency** - 2007 – Senate Bill 668 (Session Law 2007-546) “An act to promote the conservation of energy and water use in State, University, and Community College buildings.” Portions of this session law affected GS 143-64.1.1, .10, .12. Highlights:

- Establishes “Sustainable Energy-Efficient Buildings Program”
- Requires 30% greater energy efficiency than ASHRAE Standard 90.1-2004 on new design and construction
- Requires 20% greater energy efficiency than this ASHRAE standard on renovations
- Requires 20% less potable water use for new construction and reduced outdoor water consumption
- Requires commissioning on new construction >20,000 gsf occupied/conditioned space or renovations >50% of the insurance value where >20,000 gsf involved
- Requires measurement and verification
- Requires specific energy conservation measures to be implemented such as LED exit signs, faucet aerators, “power save” feature on equipment, etc.
- Requires 20% energy consumption reduction by 2010, 30% by 2015 based on 2002-2003 baseline year (measure is consumption per gross square foot)
- Requires life-cycle cost analysis at schematic design phase, updated at subsequent design phases
- Purchased buildings must meet requirements appropriate to the date of their construction/renovation (i.e. applicable building code requirements for energy)

3. **Energy Efficiency** - 2007 – Senate Bill 1946 (Session Law 2008-203) “An act to codify the standards governing energy efficiency and water use for major facility construction and renovation projects involving State, University, and Community College buildings in order to reduce the consumption of energy and water, as recommended by the Environmental Review Commission, and to allow the State, The University of North Carolina System, and the North Carolina Community College System to install photo luminescent exit signs when permitted by the State Building Code.” This legislation added Article 8C to GS 143 resulting in GS 143-135.35, .36, .37, .38, .39, .40 Highlights:

- Codifies energy and water reductions from Session Law 2007-546, above, into general statute.
- Describes administration and management of Sustainable Energy-Efficient Buildings Program
- Requires separate utility metering for each utility at each building
• Purchased buildings must meet requirements appropriate to a comparable State building at the
time of their construction/renovation
• Exit signs may be LED or photo luminescent

promote the use of renewable energy by extending the credit for constructing renewable fuel facilities
and the credit for........and to designate the appropriate person to provide a written allocation of the
federal section 179D tax deduction for energy efficient commercial buildings owned by a governmental
entity.” Added item f under GS 143-341.
Highlights:

• Identified Department of Administration (State Construction) as authority to provide written
allocation of section 179D tax deduction

5. Retaining Energy Savings - 2009 – House Bill 1292 (Session Law 2010-196) “An act to provide that
any energy savings realized by constituent institutions of the University of North Carolina shall remain
available to the institution and a portion of those energy savings shall be used for other energy
conservation measures; and to expand the use of operational leases by local boards of education.”
Added new section 116-30.3B to GS 116 and modified GS 143-64.12. Highlights:

• Credit balances in utilities accounts at fiscal year-end that result from implementing energy
conservation measures may be carried forward, in addition to other carry forward allowed
under GS 116-30.3
• 60% of the energy savings realized must be used for energy conservation measures
• Documentation/reporting requirements are outlined

was the budget act for the year, but included authorization for self-performing energy conservation
measures by NCSU. This is reflected in the General Statutes as GS 143-64.17L and M. The Session Law
also lists related areas of the General Statutes which changed.

7. Federal Better Buildings Challenge - Governor Purdue has committed the State of North Carolina to
the Federal “Better Buildings Challenge Program.”

• 20% more energy efficient by 2020 (over 2008-2009 levels)
• Showcase projects to share best practices

Other references of interest:

• Session Law 2002-167 – Water Conservation
• NC Administrative Code 41B – Guaranteed Energy Savings Contracts (outlines procedures)
OC-25 COST ESTIMATE

J COST ESTIMATE DETAIL

Biennium End: 2013

*Department and Division: Educational Institutions (Universities)

*Project Title:

*City or Location:

Cost Estimate Class: New Facilities

Package Type: General Bldg.

*Description and Justification: (Attach additional data as necessary to indicate need, size, function of improvements as well as master plan. Verify if compliance with GS 143-135.35 - 143-135.40, Sustainable, Energy Efficient Buildings, is required.)

J WORKFLOW ACTIVITY - current workflow step is highlighted

<table>
<thead>
<tr>
<th>Step</th>
<th>Action</th>
<th>Role</th>
<th>Organization</th>
<th>User</th>
<th>Completed On</th>
<th>Alerted On</th>
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J CURRENT ESTIMATED CONSTRUCTION COST* (breakdowns)

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<th>SECTION</th>
<th>DESCRIPTION</th>
<th>QUANTITY</th>
<th>UNIT OF MEASURE</th>
<th>COST PER UNIT</th>
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<td>A. Land</td>
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<tr>
<td>B. Site</td>
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<td>0</td>
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</tr>
<tr>
<td>B. Site</td>
<td>2. Site Work</td>
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<td>C. Construction 1. Utility Services</td>
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<tr>
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<td>C. Construction 6. Electrical (includes TV &amp; Radio Studio)</td>
<td>0</td>
<td>❑</td>
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<tr>
<td>C. Construction 7. Fire Suppression and Alarm Systems</td>
<td>0</td>
<td>❑</td>
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</tr>
<tr>
<td>C. Construction 8. Telephone, Data, Video</td>
<td>0</td>
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<tr>
<td>C. Construction 9. Associated Construction Costs</td>
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<tr>
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<tr>
<td>D. Equipment</td>
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<td>0</td>
<td>❑</td>
<td>0</td>
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</tr>
<tr>
<td>D. Equipment</td>
<td>2. Moveable</td>
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<td>❑</td>
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ESTIMATED CONSTRUCTION COSTS:

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0%</td>
<td>$0</td>
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</tbody>
</table>

** Estimate using ** Percentage ** Total **

| DESIGN FEE | 0% (% of Estimated Construction Costs) | $0 |
| PRECONSTRUCTION COSTS | 0% (% of Estimated Construction Costs [1% for CM@Risk]) | $0 |
| COMMISSIONING | 0% (0.5% simple; 1.0% moderate; 1.5% complex) | $0 |
| SPECIAL INSPECTIONS/MATERIALS | 0% (1.25% estimated) | $0 |
| SUSTAINABILITY | 0% (3% LEED Gold, 2% LEED Silver) | $0 |
| ADVANCE PLANNING | 0% (% of Estimated Construction Costs - includes programming, feasibility, analysis) | $0 |
| CONTINGENCIES | 0% (% of Estimated Construction Costs [3% New or 5% R&R]) | $0 |

ESTIMATED COSTS: (Estimated Construction Costs + Design Fee + Preconstruction Costs + Commissioning + Special + Sustainability + Advance Planning + Contingencies)

(From Est. Date to mid-point of construction) = 0 months General: 0-17 months > 0.00 ❑ %

ESCALATION COST INCREASE: (Total of Estimated Construction Costs x Escalation %)

TOTAL ESTIMATED PROJECT COSTS: (Estimated Costs + Escalation Cost Increase)

* Attach basis and justification for estimate, include description, quantities, units, special features, similar cost on recent projects, etc.
** Include items such as grading, roads, walks, parking, etc.
*** Attach explanation of any special building, mechanical, or electrical service requirements with appropriate distance to existing buildings, water, gas, electrical or other utility service.

(OC-25 Revision# 2)

Comments

Add Comment

Date | Comment

Attachments

ATTACH FILE

Upload Date | Type | File Name | Description

User

http://interscope2.doa.state.nc.us:8080/interscope/costEstimateCreate.action? 5/19/2013
**Current Estimated Construction Cost**

<table>
<thead>
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<th></th>
<th>QTY</th>
<th>UNIT</th>
<th>Cost Per Unit</th>
<th>TOTAL</th>
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<td>A. Land Requirement</td>
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<td>B. Site Preparation</td>
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<tr>
<td>1. Demolition</td>
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<tr>
<td>2. Site Work</td>
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<tr>
<td>C. Construction</td>
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<tr>
<td>1. Utility Services</td>
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<td>$0</td>
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<tr>
<td>2. Building Construction (new space)</td>
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<td>$0</td>
</tr>
<tr>
<td>3. Building Construction (existing)</td>
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<tr>
<td>4. Plumbing (new space)</td>
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<td>5. HVAC (new space)</td>
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<td>6. Electrical (Includes TV &amp; Radio Studio)</td>
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<tr>
<td>7. Fire Suppression and Alarm Systems</td>
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<td>8. Telephone, Data, Video</td>
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<td>9. Associated Construction Costs</td>
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<td>10. Other:</td>
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<tr>
<td>1. Fixed</td>
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<tr>
<td>2. Moveable</td>
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<tr>
<td><strong>Estimated Construction Costs</strong></td>
<td></td>
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<td>$0</td>
</tr>
</tbody>
</table>

Items below may be calculated by percentage or lump sum. If using lump sum, make entry in $ field.

**Contingencies**  
(% of Estimated Construction Costs [3% New or 5% R&R])

**Design Fee**  
(% of Estimated Construction Costs)

**Preconstruction Costs**  
(% of Estimated Construction Costs [1% for CM@Risk])

**Commissioning**  
(0.5% simple; 1.0% moderate; 1.5% complex)

**Special Inspections/Materials**  
(1.25% estimated)

**Sustainability**  
(3% LEED Gold, 2% LEED Silver)  
Includes programming, feasibility, analysis

**Advance Planning**  
(% of Estimated Construction Costs)

**Estimated Costs**  
(Contingencies + Design Fee + Preconstruction Costs + Commissioning + Special Inspections/Materials + Sustainability + Advance Planning)

Escalation = percent per month multiplied by number of months  
(From Est. Date to midpoint of construction) = months  
% per month

- General Bldgs: 0-17 mos = 0%; 18-23 mos = .04%; 24-35 mos = .12%; 36-47 mos = .16%; 48-60 mos = .18%
- Health Bldgs: 0-5 mos = .18%; 6-11 mos = .22%; 12-17 mos = .26%; 18-23 mos = .29%; 24-35 mos = .33%; 36-47 mos = .36%; 48-60 mos = .38%

**Total Estimated Project Costs**  
(Estimated Costs + Escalation Cost Increase)

**Approved By:**  
(Governing Board or Agency Head)
<table>
<thead>
<tr>
<th>Item on Form</th>
<th>Definition/Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ESTIMATED CONSTRUCTION COST</td>
<td>Attach basis and justification for estimate. Include description, quantities, units, special</td>
</tr>
<tr>
<td>A. Land Requirement</td>
<td></td>
</tr>
<tr>
<td>B. 1. Demolition</td>
<td></td>
</tr>
<tr>
<td>B. 2. Site Work</td>
<td></td>
</tr>
<tr>
<td>C. 1. Utility Services</td>
<td></td>
</tr>
<tr>
<td>C. 9. Associated Construction Costs</td>
<td></td>
</tr>
<tr>
<td>C. 10. Other</td>
<td></td>
</tr>
<tr>
<td>PRECONSTRUCTION COSTS</td>
<td></td>
</tr>
<tr>
<td>CONTINGENCIES</td>
<td></td>
</tr>
</tbody>
</table>
## DESIGNER SELECTION

### OPEN END CONTRACTS*
**PROJECTS LESS THAN $500,000**

- Select for one year with option for a second year. No limit on individual project fee or cumulative fees.

- Advertise on UNC-GA Web Site** a minimum of 10 days (no minimum for responses) - Specify number of firms to be selected in each area (Arch, ME, EE, etc.)

- Establish pre-selection/selection committee

- No Interview Required (but is an option)

- Final Selection made by Institution Board of Trustees*** Make CAPSTAT entry

- Letter to unsuccessful firms thanking them for their interest & informing them of the firm selected

- Letter Agreement to Designer from Institution with fees to be negotiated by the institution on a project basis.

- Post selection on UNC-GA Web Site

*Designers for projects less than $500,000 may be selected directly without advertisement and with use of a regular contract; however, best practice is to advertise for either open-end or direct selection.

**When posted on the UNC-GA web site the advertisement will also appear on the State Construction Office web site.

***Final selection of designers may, at some funding level, be delegated by the Board to the campus administration. If delegated, the selection must be reported to the Board and shown as approved in the Board minutes.

### REGULAR CONTRACTS
**PROJECTS BETWEEN $500,000 and $2,000,000**

- Project Specific Selection (may also be most appropriate for projects under $500,000)

- Advertise on UNC-GA Web Site** a minimum of 10 days for under $500,000. 15 days for over $500,000; 21 days maximum (minimum of 3 responses required)

- Establish pre-selection/selection committee

- No Interview Required under $500,000 (but is an option)

- Final Selection made by Institution Board of Trustees*** Make CAPSTAT entry

- Letter to unsuccessful firms thanking them for their interest & informing them of the firm selected

- Standard Design Agreement fees and terms of contract negotiated and prepared by the institution.

- Post selection on UNC-GA Web Site

### REGULAR CONTRACTS
**PROJECTS OVER $2,000,000**

- Project Specific Selection

- Advertise on UNC-GA Web Site** a minimum of 15 days, 21 preferred (minimum of 3 responses required)

- Establish pre-selection/selection committee

- Final Selection made by Institution Board of Trustees*** Make CAPSTAT entry

- Letter to unsuccessful firms thanking them for their interest & informing them of the firm selected

- Letter to State Construction Office requesting negotiation and preparation of standard design agreement, copy to designer

- Post selection on UNC-GA Web Site

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*GR21(rev. 5/2013)*

- Emergency Designer Selection - See Paragraph IV.E of Attachment 03 of UNC Design & Construction Guidelines.
Attachment 3

DESIGNER SELECTION PROCEDURES
FOR
THE UNIVERSITY OF NORTH CAROLINA
AND
ITS CONSTITUENT INSTITUTIONS

Purpose: The North Carolina Administrative Code (NCAC), Title 01, Subchapter 30D Section .0300 – Selection of Designers or Consultants, .0304 states that the UNC system shall establish its own procedures for final designer or consultant selection. The University is required to file its procedures with the State Building Commission (SBC) for approval. The purpose of this document is to comply with that requirement. This document is intended to provide procedures which complement, not replace, the SBC designer selection policy and, accordingly, should only be used in conjunction with that policy.

The following procedures are unique to the UNC System:

1. Each Board of Trustees of a constituent institution of the University of North Carolina, by delegation from the Board of Governors has been assigned the authority for:
   a. Selection of architects or engineers for buildings and improvements requiring such professional services.
   b. Approval of building sites.
   c. Approval of plans and specifications.
   d. Final acceptance of all completed buildings and projects.
   e. Preparing and maintaining a master plan for the institution.

2. The requirement for the State Construction Office representation on all University pre-selection committees is waived by 01NCAC 30D.0304.

11/8/2006
Approved SBC 12/12/06
3. According to NCAC 30D.0301, all designers or consultants shall file design qualifications information (Federal Standard Form 254 330 and other supporting material) with the State Construction Office prior to being considered by the pre-selection committee. In addition, this designer qualification information may be filed directly with the constituent institutions of The University when application is made for designer selection for a specific project.

4. GS 116-31.11 delegates the duties of the Department of Administration and the Office of State Construction to the University of North Carolina with respect to the design, construction, or renovation of buildings, utilities, and other property developments of The University of North Carolina requiring the estimated expenditure of public money of two million dollars ($2,000,000) or less.

The University of North Carolina Procedures: All State Building Commission prescribed policies for designer selection as outlined in the NCAC Subchapter 30D apply to constituent institutions of The University of North Carolina with the following clarifications and modifications:

Definitions

1. “Capital Projects Coordinator” means the individual authorized by each funded constituent institution of The University to coordinate each assigned capital improvement project and related matters with the various interested departments at the institution and with the State Construction Office and other State reviewing agencies where applicable. The individual so designated for purposes of these rules in this Subchapter may have other titles within the institution but shall carry out the duties assigned herein to the Capital Projects Coordinator. Whenever the Capital Projects Coordinator is referenced herein, it shall be understood to
include a designated assistant or representative. Where possible, the Capital Projects Coordinator shall be a licensed architect or engineer. The Capital Projects Coordinator shall be an employee of the institution.

2. “Designer” means any individual, firm, partnership, corporation, association or other legal entity licensed and permitted by law to practice architecture, engineering, or landscape architecture in the State of North Carolina.

3. “Contact Person” means the person named in the public advertisement who shall be the Capital Projects Coordinator or his/her designee.

4. “Funded Agency” means the constituent institution that is named in the legislation appropriating funds or where such funds have been allocated to a constituent institution by The University of North Carolina General Administration for the design and/or construction project.

5. “Major Projects” means those capital improvement projects whose authorized funding or estimated cost is greater than $500,000 or a planning study activity whose funding is greater than $50,000.

6. “Minor Projects” means those capital improvement projects whose authorized funding or estimated cost is $500,000 or less or a planning or study activity whose authorized funding is $50,000 or less. Minor projects may also include a grouping of small non-specified or anticipated projects whose aggregate total falls within the minor project cost limitations.

7. “Download Projects” means those capital improvement projects with a total cost of two million dollars ($2,000,000) or less.

8. “Professional Services” means those services within the scope of the practice of architecture, engineering, or landscape architecture as defined by the public laws of North Carolina.
9. “Open End-Fixed Term Contracts” – The University of North Carolina and its constituent institutions may require the services of designer(s) or consultant(s) for small projects on a routine basis. In such cases, designer(s) or consultant(s) for annual contracts will be selected in accordance with the procedures described for minor projects. This does not preclude an institution’s use of designer selection procedures specified for major projects if it elects to do so. The term of these contracts will be as outlined in 01 NCAC 30D.0302 (f).

Procedures

Public Announcement: Constituent institutions of The University of North Carolina will submit a request for announcement of the need for professional services through the established web application for such postings on the UNC web site through which the announcement will also be posted to the State’s Interactive Purchasing System (IPS). A contact person, normally the institutional Capital Projects Coordinator or his/her designee, will be named in the public announcement. The advertisement time shall be as outlined in 01 NCAC 30D.0202.

Selection

General Procedure for All Projects: The general procedure for all projects shall be as outlined in 01 NCAC 30D.0302(b) except that the pre-selection priority list shall remain confidential at the institution until the final selection is made by the Board of Trustees.

Minor Projects: The pre-selection committee for minor projects shall consist of at least two members, one of which is the primary or alternate Capital Projects Coordinator. The second member should be a representative from the using department of the institution. A third member (a licensed architect or engineer) is required if the Capital Projects Coordinator is not so licensed. The pre-selection committee shall review individual designer evaluations held by the State Construction Office and refer to the University’s “CAPSTAT” capital status system for designer
references. The constituent institutions of the University shall be responsible for final designer selection and will conduct fee negotiations.

**Major Projects:** The pre-selection committee make-up will be as specified for the minor projects above except that the committee will include a minimum of three members, one of whom shall be a licensed architect or engineer. The pre-selection committee shall review individual designer evaluations held by the State Construction Office and refer to the University’s “CAPSTAT” capital status system for designer references. Procedures as prescribed for major projects as outlined in 01 NCAC 30D.0302 including interview of firms, will be used by the institution.

**Emergency Projects:** The State Building Commission designer selection procedures make provision for waiver of the normal selection rules when immediate design services are required to correct a situation of an emergency nature. All provisions as outlined in 01 NCAC 30D.0302(e) will apply to The University and its constituent institutions, except that the required report of the written description of the condition and rationale for employing emergency design services will be filed by the Chancellor of the constituent institution with UNC-General Administration for presentation to the next regularly scheduled meeting of the State Building Commission.

**Open End-Fixed Term Contracts:** The limits for use of open end-fixed term contracts shall be as outlined in 01 NCAC 30D.0302(f). Designers selected for open end-fixed term design agreements shall be selected using procedures prescribed for minor projects unless the institution opts to use the procedures for designer selection for major projects. In no case will multiple open-end design agreements be combined to design sub-portions of a single capital project in
such a manner that the combination of the multiple agreements would provide design of the entire project, as a capital project requires a designer-of-record for the entire facility. The practice of an institution employing simultaneous multiple open-end agreements with the same firm, while not ruled out by these procedures, is strongly discouraged and should be undertaken only when there is justification to do so. The use of open-end agreements for relatively small projects is to allow competition for this work from a wide range of designers, including very small firms. Institutions should enter into open-end agreements with the number of firms and in the specialties only to meet a workload that is reasonably anticipated. Open-end design agreements are not intended to be used to provide preliminary planning on a project with the consideration that the open-end agreement can be increased by contract modification to provide full design service on a project. It is critical that the types of services to be undertaken by open-end design agreement fall within the parameters defined in the public advertisement for open-end design services.

Fee Negotiations

**Download Projects (including minor projects and major projects $2,000,000 and less):** The constituent institution is responsible for fee negotiations. Fee negotiations will be supervised and signed by a licensed design or construction professional.

**Major Projects above $2,000,000:** Upon final selection of a designer by a constituent institution Board of Trustees, the Capital Projects Coordinator will provide written notification directly to the State Construction Office of the selected firm for project design and will include the names of the final three firms considered for selection. When the constituent institution initiates a request to the State Construction Office for preparation of a contract and fee negotiation with a selected design firm, the institution shall indicate that the designer selection
was made in accordance with the procedures prescribed by the State Building Commission (including procedures adopted by the State Building Commission for The University of North Carolina). Further, the fee negotiation request shall include a statement of scope for the requested design services and any other special stipulations, including schedule.

**Emergency Projects:** The constituent institution is responsible for fee negotiations. Fee negotiations will be supervised and signed by a licensed design or construction professional.

**Open-End Fixed Term Contracts:** The basic design agreement delineating unit costs (cost per hour, etc.) is negotiated at the institutional (campus) level. Further, negotiation of a specific fee for individual projects under the open-end fixed term design agreement is also negotiated at the institutional (campus) level. Either type of fee negotiation is to be conducted by one person or group of persons which includes supervision and signature by a licensed design or construction professional.

**Reporting**

The institutions conducting fee negotiations will report the outcome of the negotiations via the “CAPSTAT” system, where it will be consolidated for reporting to the State Building Commission at least annually, but customarily for the Commission’s regularly scheduled meetings. The report will include a listing of all projects for which fee negotiations have been conducted at the institutional level; the designer of record, project budget, fee, and other explanatory data as appropriate. A summary report of each year’s activity will also be submitted to the State Building Commission no later than June 30 of the following year. In addition, the top three designers considered, in priority order, will be listed in an electronic posting on The University web site, based on the submission of the selection information via a web application accessed by the selecting institution.
UNC Designer Selection Procedures for Projects <$500,000
(Interim Guidance Pending State Building Commission Procedure Development)

The following designer selection procedures apply only to projects less than $500,000 funded on or after July 1, 2007 in keeping with legislation under Session Law 2007-446 (HB 73). Designers for projects requiring the estimated expenditure of public money less than $500,000 may be directly selected under the guidance of qualified campus staff involving at least a licensed architect or engineer and Capital Projects Coordinator (may be one person if both qualifications are met in a single individual). Selection may be made without public advertising or interview, but should continue to be based on qualifications and selection criteria currently in use in the approved selection process. The campus is responsible for fee negotiation and contract execution, using the appropriate design agreement for “download” projects (“Standard Form of Agreement Between Owner and Designer – Capital Projects Costing Less than $2,000,000”).

Campuses should continue to adhere to their internal procedures regarding the level of involvement of their respective Boards of Trustees. If their board currently approves all designer selections, those made under this process should also be approved. If the board has delegated some authority to the Chancellor or staff, that delegation should continue to be followed. Compliance with these internal approvals should continue to be documented in whatever fashion has been customary at each campus (usually Board minutes where their approval is required). In addition, designer selections should continue to be posted in CAPSTAT as they occur and on the UNC web site.

The use of “Fixed Term” or “Open-End” design agreements is no longer required for projects under any specified dollar threshold. However, there may be some advantage in continuing to use these arrangements for projects under $500,000. The use of an open-end agreement permits the related use of a letter agreement instead of the full standard design agreement. In addition, the use of these agreements reinforces the State’s commitment to soliciting competition for all work, which has been the foundation of the State’s procurement system, whether for goods and services or construction, since the 1930’s. Further, it provides an opportunity for many firms to be tested on small projects as a stepping-stone to consideration for future, larger campus projects. If campuses wish to establish open-end agreements for projects up to $500,000, they may do so by following the customary advertising and designer selection processes. Open-end agreements are not subject to any limitations on the fee for a single project or for cumulative fees paid to a single firm for the duration of the agreement. Open-end agreements may be solicited for a one-year period, a one-year period with the option to extend to a second year, or a two-year period. After two years, a new solicitation and resulting selections should be made.

Projects consisting of design-related services such as materials testing, special inspections, commissioning, geotechnical services, surveying, and the like may be advertised based on the size of these services, as defined by approximate cost, rather than the cost or budget of the overall project to which they may be related.

While this legislation increased flexibility in that it both raised the limit for informal projects and reduced the red-tape required to select a designer for them, it comes with a responsibility to use that flexibility wisely. Selections should be made with great care to avoid any semblance of

Designer Selection Interim Under $500,000

3/15/2011
undue influence in selection or criticism of work being concentrated among too small a group of firms. Fees should be appropriate for the anticipated work.

The State Building Commission is expected to address the development of revised procedures in the future. In the meantime, please use this outline for guidance and test all of your selection decisions based on their ability to withstand public scrutiny; are they fair, are they logical, are they consistent, are they defensible?

Questions should be directed to Gordon Rutherford (gordonr@northcarolina.edu, 962-0462) or Miriam Tripp (mdtripp@northcarolina.edu, 933-6392).
University of North Carolina
Emergency Project Process

1. The President of the University of North Carolina receives an Emergency Declaration Notice from the Chancellor of the UNC institution declaring the need for an emergency capital project.

2. UNC General Administration forwards an electronic copy of the Emergency Declaration Notice to the North Carolina Office of State Budget and Management (OSBM) to the attention of the capital budget analyst to whom the relevant UNC institution is assigned, with a copy to the Assistant State Budget Officer leading OSBM's capital section.

3. UNC General Administration establishes a capital project in the UNC capital projects information system (currently CAPSTAT), assigning a code and project number with the guidance of the institution, and an initial budget of $0.

4. Concurrently, the institution contacts the appropriate OSBM capital budget analyst and, if necessary, its OSBM operating budget analyst, to identify and agree on the funding plan, including all sources of funds, to be used to pay for the project.

5. Once OSBM has approved the project and the funding plan, the UNC institution initiates the necessary UNC capital projects information system (currently CAPSTAT) transaction or transactions to request the fund transfers needed to implement the approved funding plan.

6. Once all transactions are approved in the capital projects information system (currently CAPSTAT), the institution processes the necessary BD606’s to reflect fund availability per the agreed upon plan.

7. Once funding is in place for the capital project, OSBM will report the approved emergency capital project’s estimated scope, cost, funding plan, and schedule to the Joint Legislative Commission on Governmental Operations on behalf of UNC.

8. Concurrently, UNC General Administration will notify the UNC Board of Governors, the N.C. State Building Commission, and the N.C. Department of Administration’s State Construction Office of the UNC institution’s need for an emergency capital project.
UNC System Web Site Advertisements
Submission Information

Solicitations for designers, construction bids, and CM at Risk firms are to be posted on the UNC system web site as part of our effort to ensure the broadest range of participation possible in our projects. In addition, the prequalifying of contractors, solicitation of bid packages from prequalified contractors, and the posting of public meeting notices in compliance with the revised General Statute 133-3 are to be posted in this forum. Advertisements placed on the UNC site are passed to the State’s Interactive Purchasing System (IPS) to be posted there as well, with no additional action required by users at the institution/affiliate. The IPS system has a mechanism to issue nightly e-mail notifications to registered vendors who identify the categories they are interested in bidding on.

The vendor community is expecting ALL of our work (appropriate to current procedures and dollar limits) to be advertised on the UNC site. Placement of advertisements should allow sufficient lead-time for response and participation in any pre-bid conferences. Each institution is responsible for ensuring compliance with minimum advertising time frames specified in the State Construction manual. In addition, both the UNC and the State of North Carolina “Minority Business Participation Guidelines and Forms” require that the State HUB Office be notified of competitive bidding opportunities 21 days prior to bid opening. Since the State web site is the mechanism that provides this advance notification, via daily review by HUB Office staff, ads must be posted 21 days prior to scheduled opening.

Note that solicitations for design or construction can only be released for authorized projects. Appropriate legislative or State Budget Office authority must be in hand before posting ads and is verified based on projects listed in CAPSTAT. Finally, don’t forget that the outcome of the designer selection process must be posted including the selected designer, amount of the contract, and the first and second runners-up.

The web address from which all types of postings may be entered is: http://www.northcarolina.edu/info/vendors/opportunities.htm. Log in and password are the same as those you use to log into your campus computer every day.

1. To solicit the services of designers, enter information in the fields shown under the category for designer solicitations. When you have completed the entries and are satisfied they are correct, click on “submit” and the request will appear for approval at UNC-General Administration and then be posted.

All of the submission categories function in this same way. Note that “Tab” should be used to move from one field to another. When “Return” is pressed, the system assumes the advertisement is being submitted and you may generate numerous incomplete advertisements in this way. Budget amounts should be entered without commas, dollar signs, or other punctuation or the amount will appear in the ad only up to the point where a comma, etc. is entered. Commas will be automatically inserted as part of the format the advertisement takes on when it is posted. Also, solicitation closing/bid opening dates must not be on weekends or holidays, including federal holidays when the U.S. mail is not delivered. The State’s IPS system will not permit posting of advertisements with these dates. If you do not receive a confirmation message indicating that the ad has been
submitted, it has not processed successfully and you should try again and/or request assistance (mdtripp@northcarolina.edu or jrose@northcarolina.edu). Postings are generally made within one business day, but on occasion may be as long as two or three. Please allow sufficient lead time for posting to be completed and still meet required times to closing dates.

2. **To bid construction projects**, enter information in the fields shown under the category for construction bid solicitations. Please clearly indicate if the pre-bid conference is mandatory. This is important in how the advertisement appears when it is passed over to the State IPS system, as that site has a separate field for mandatory site visits. Also, be sure to make an appropriate entry in the minutes column for pre-bid and bid opening times. If this field is left blank, no time will appear in the final advertisement, even if you had entered an hour in that time column. Both a mailing address where bids may be mailed or delivered and a physical bid opening location, if different from the mailing address, must be provided.

3. **To prequalify construction firms**, enter information in the fields shown under construction prequalifying solicitations. While prequalifying is required to prequalify subcontractors under the CM at Risk construction method, prequalifying may be used for any project. You will save yourself a number of inquiries if you can include information such as a web site where prequalifying packages may be obtained.

4. **To bid packages involving prequalified construction firms**, enter information under bid package solicitations from prequalified firms. You may list the number, title, and package information in the appropriate field without having to do a separate advertisement for each package, provided they are being opened on the same date and time. Separate ads are necessary to reflect openings at different times or dates and times. To improve readability of the resulting advertisement, please use punctuation between information on different packages. Carriage returns which may appear on screen, will not carry over to the final posting when the ad is submitted, making punctuation essential. Otherwise, the text appears as an ongoing string of information and becomes very difficult to read. The list of prequalified firms or a web site that lists them so that subs know who they may contact must be included. Both a mailing address where bids may be mailed or delivered and a physical bid opening location, if different from the mailing address, must be provided.

5. **To solicit the services of a CM at Risk firm**, enter information under Construction Manager at Risk Solicitations. Like prequalifying of construction firms, you will save yourself a number of inquiries if you can include information such as a web site to access the submission package or other details of what you expect to see submitted in response to this solicitation.

6. **To advertise a public meeting in compliance with GS 133-3**, enter information under Public Meeting Notices under GS 133-3. Similar to the bid packages for prequalified firms, the field to list items being considered is a large text field so that you have the flexibility to list numerous items, but punctuation helps make it more readable. It is feasible to include a number of items and projects in a single meeting without posting separate notices for each under consideration. However, the space available for project
name is limited. Current rules require that the specific items being considered be listed (such as Simplex fire alarms, LCN closers, etc.), not just the project for which brand name alternates are being considered.

7. **To post the outcome of a designer selection** after executing a contract, enter information in the fields shown under approved design contracts. Note that the contract fee must be posted so this entry cannot be made until after the contract is negotiated. However, CAPSTAT entries should be made identifying the designer selected and selection date as soon as possible and are generally made prior to posting the outcome on the web site.

Open-ended selections may be posted by indicating in the title that entries are in “no order” and then listing the selected firms. If more firms are being contracted than space allows, simply list the additional firms on another form.

Advertisements are archived reasonably promptly (usually next working day) after their closing/opening dates. If you have an unsuccessful bid opening and need to readvertise or if you know before the opening date that you want an extension, the ad can be edited in lieu of submitting a new entry by notifying Miriam Tripp via e-mail at mdtripp@northcarolina.edu before the ad is archived. The State’s IPS system automatically deletes postings as of their opening date so any rebid or extension that is made in the UNC web site has to be re-posted at that site. This is done for you based on your request in the UNC web posting.

While you cannot retrieve and edit ads once you have submitted them, they can be edited at UNC-General Administration if necessary. Again, e-mail Miriam Tripp to identify the advertisement and the needed corrections.

Finally, if you wish to print a copy of your advertisement either as you have submitted it for posting or as it appears in its final copy, clicking on the printer icon will provide a “printer-friendly” version for your printing. Submitted copy, if lengthy, will not print completely, but a complete printing may be obtained from the final posted copy.
Opportunities to Do Business with the Universities

Designer Solicitations (4)
Approved Design Contracts (0)
Construction Bids (6)
Construction Solicitations to Prequalify Contractors (0)
Construction Bid Solicitations from Prequalified Contractors (9)
Construction Manager-at-Risk Solicitations (2)
Public Meeting Notices under GS 133-3 (1)

Future Solicitation Dates

Edit this Content
Opportunities to Do Business with the Universities

Submit a New Project (Designer Solicitations)

Institution : 
Institution URL for Additional Information about this Project (Optional) : 
Project Name : 
Type of Services : 
Project Manager : 
Phone Number : ( ) - Ext.
Contact Email : 
Closing Date : 
Project Budget : 
Project Description : One-Two Sentences

Submit Letters of Interest and Current SF-330 to: (Contact Person, Name of Institution & Address)

In order to offer architectural or engineering services in response to this solicitation, the proposer must be licensed in the State of North Carolina.
## Opportunities to Do Business with the Universities

### Designer Solicitations

<table>
<thead>
<tr>
<th>Full Details</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Institution</td>
<td>UNC Charlotte</td>
</tr>
<tr>
<td>Institution URL for Additional Information about this Project (Optional)</td>
<td><a href="https://facilities.uncc.edu/advertisements">https://facilities.uncc.edu/advertises</a></td>
</tr>
<tr>
<td>Project Name</td>
<td>Elm, Maple &amp; Pine Residence Halls Renovations</td>
</tr>
<tr>
<td>Type of Services</td>
<td>Architectural</td>
</tr>
<tr>
<td>Project Manager</td>
<td>Rick Ellis</td>
</tr>
<tr>
<td>Phone Number</td>
<td>(704) 687-0517</td>
</tr>
<tr>
<td>Contact Email</td>
<td><a href="mailto:rellis@uncc.edu">rellis@uncc.edu</a></td>
</tr>
<tr>
<td>Closing Date</td>
<td>05/30/2013</td>
</tr>
<tr>
<td>Project Budget</td>
<td>$11,000,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-Two Sentences</td>
</tr>
<tr>
<td>The proposed renovations will require each building to meet the current code requirements, provide updated mechanical, electrical, plumbing and ITS systems, full window and roof replacements, and the possibility of re-configuring the individual apartment. The project will also require the design of six new elevators and underground infrastructure from Oak Hall mechanical room to each building. Each building has a fully addressable sprinkler system. There will also be ADA modifications within and around the complex with new brick sidewalks along Lot 16.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Submit Letters of Interest and Current SF-330 to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Contact Person, Name of Institution &amp; Address)</td>
</tr>
<tr>
<td>Joyce Clay</td>
</tr>
<tr>
<td>University of North Carolina at Charlotte</td>
</tr>
<tr>
<td>Capital Projects</td>
</tr>
<tr>
<td>Facilities Management</td>
</tr>
<tr>
<td>9201 University City Boulevard</td>
</tr>
<tr>
<td>Charlotte, N.C. 28223-0001</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Or hand delivered to:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attn: Joyce Clay</td>
</tr>
<tr>
<td>Facilities Management/Police Building, 2nd Floor - Capital Projects</td>
</tr>
<tr>
<td>9151 Cameron Blvd.</td>
</tr>
<tr>
<td>(Building #55 on the campus map)</td>
</tr>
</tbody>
</table>

In order to offer architectural or engineering services in response to this solicitation, the proposer must be licensed in the State of North Carolina.
Existing plans e-mail request to Greg Driver, SCO - (Session Law 2006-217)

We are beginning planning for construction of ______________________ (the project’s name). This facility is anticipated to be a ________________ (short description of project; square footage, relevant programmatic needs, occupants, location, etc.). Additional questions about this project may be directed to _____________ (contact person, phone, e-mail).

Based on my knowledge of facilities within the University system, it appears that there are no existing plans and specifications feasible for use in the construction of this project. Please consider this our consultation with your office, in compliance with Session Law 2006-217 and notify me if feasible existing plans and specifications are available.

E-mail signature
01 NCAC 30D .0303 SELECTING CRITERIA
In selecting the three firms to be presented to the SBC, the pre-selection committee should take into consideration such factors as:

(1) Specialized or appropriate expertise in the type of project.
(2) Past performance on similar projects.
(3) Adequate staff and proposed design or consultant team for the project.
(4) Current workload and State projects awarded.
(5) Proposed design approach for the project including design team and consultants.
(6) Recent experience with project costs and schedules.
(7) Construction administration capabilities.
(8) Proximity to and familiarity with the area where project is located.
(9) Record of successfully completed projects without major legal or technical problems.
(10) Other factors that may be appropriate for the project.

UNC uses these criteria and adds HUB participation on the design team/consultants as an additional factor.
<table>
<thead>
<tr>
<th>Institution Short Name</th>
<th>Project Code Item</th>
<th>Project Title</th>
<th>Sub Title</th>
<th>Design Fee</th>
<th>Contact Name</th>
<th>Contact Phone</th>
<th>Designer Name</th>
<th>Designer Rating</th>
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</thead>
<tbody>
<tr>
<td>ECU</td>
<td>2006 Repairs and Renovations</td>
<td>10th St Steam Distribution - C</td>
<td>9100</td>
<td>Still, Robert</td>
<td>252-328-6858</td>
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<td>Engineers East, P.C.</td>
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<tr>
<td>ECU</td>
<td>2005 Repairs and Renovations</td>
<td>10th Street Steam Distribution Upgrades - Phase 1 - C</td>
<td>39802</td>
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<tr>
<td>ECU</td>
<td>1999 Repairs and Renovation</td>
<td>10th Street Steam Distribution Upgrades - Advance Planning Only - C</td>
<td>56738</td>
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<td>252-328-6858</td>
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<td>27550</td>
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<td>ECU</td>
<td>Clement and Greene Residence Halls Fire Suppression System 2005 Repairs and Renovations</td>
<td>Clement and Greene Residence Halls Fire Suppression System</td>
<td>223000</td>
<td>Gable, Gerry</td>
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<td>Engineering Building III - Infrastructure</td>
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<td>NCSU</td>
<td>College of Engineering Facilities, Phase I Chilled Water Infrastructure</td>
<td>Tomkins Chiller Plant Energy Efficiency Friday Center Chiller Replacement</td>
<td>793725</td>
<td>Lopez, Rudy</td>
<td>919-515-8114</td>
<td>4平衡</td>
<td>Engineers East, P.C.</td>
<td></td>
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<td>4平衡</td>
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<td>Chiller Plant Energy Efficiency Friday Center Chiller Replacement</td>
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<td>4平衡</td>
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<tr>
<td>UNC-Ch-AAA</td>
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<td>1152890</td>
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<td>UNC-Ch-AAA</td>
<td>Co-Generation Infrastructure-BASS</td>
<td>Landfill Gas Package A</td>
<td>924474</td>
<td>Gillis, Diane</td>
<td>919-962-8198</td>
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<tr>
<td>UNC-G</td>
<td>Campus Police Building</td>
<td>Police Building Commissioning</td>
<td>81680</td>
<td>Pope, John</td>
<td>336-334-5269</td>
<td>4平衡</td>
<td>Engineers East, P.C.</td>
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<td>UNC-G</td>
<td>2005 Repairs and Renovations</td>
<td>Steam Distribution System Planning</td>
<td>6468</td>
<td>R. Watterson, Johnny</td>
<td>336-334-5269</td>
<td>4平衡</td>
<td>Engineers East, P.C.</td>
<td></td>
</tr>
</tbody>
</table>
Month Date, Year

Mr. Ryan Scruggs  
State Construction Office  
1307 Mail Service Center  
Raleigh, NC  27699-1307  
STATE COURIER: 56-02-01

SUBJECT: Project Name  
Code  Item

Dear Mr. Scruggs:

This letter is to request your assistance in negotiating a design contract for (description, include any special requirements and as much detailed information as appropriate).

The (name of institution) University Trustees have selected (name of design firm) to provide design services for the above referenced project. The SF-330 on this firm is enclosed. This project was advertised and the designer was selected on (date). All procedures concerning solicitation and selection as required by the State Building Commission have been followed. The firms selected in priority order are:
  (list firms)

The total anticipated project scope is $ (amount) (see attached OC-25). Funding for this project will be from (funding source). We have had preliminary discussions with the designer concerning scope, our expectations concerning services to be provided, and project schedule and suggest the following:

(enter budget breakdown and schedule - Be sure to list and clearly identify reserves for fixed equipment and furnishings and any other amounts not available to the architect for construction of the project. These amounts should not be included in the designer’s contract. Identify any special provisions to be included in Article 14, such as professional liability insurance, special use permitting with the local municipality, etc. )

Please contact (name) at (phone number) with any questions on the scope of work. Thank you for your assistance.

Sincerely,

(Name)  
Capital Projects Coordinator

Enclosures: OC-25  
SF-330 (name of firm)
Month Date, Year

Mr. Ryan Scruggs  
State Construction Office  
1307 Mail Service Center  
Raleigh, NC 27699-1307  
STATE COURIER:  56-02-01

Subject: Project Name  
Code Item

Dear Mr. Scruggs:

Attached is a letter from requesting a design contract amendment on the above project. We have reviewed this proposal and found it to be reasonable. Please review and if you concur, draft an amendment to the design contract.

Please let me know if you have any questions. Thank you for your assistance in negotiating this design contract amendment.

Sincerely,

(Name)  
Capital Projects Coordinator
Month Date, Year

Mr(s). First Name Last Name
Company Name
Address
Address
City, State ZIP Code

RE: ___________________________ University
   Open-ended Design Agreement for «Type» Services

Dear Mr(s). Last Name:

Enclosed please find two copies of the Open-ended Design Agreement for «Type» Services between Company Name and ____________ University. By signing this document, you are agreeing to the terms of the agreement and the procedures for executing a design contract. If your firm is able to guarantee emergency service after normal business hours, please sign the Optional Agreement for Increased Level of Service.

An orientation meeting will be held on (Date) at (Time), in (Place). During this meeting, you will receive more specific instructions and guidelines on how to conduct business with ________________ University.

All correspondence and other contacts with ________________ University concerning the terms of the agreement should be coordinated through (Contact Person’s name and title).

Please sign each copy of the agreement indicating your acceptance and forward both to ________________ University. The representative for ________________ University will then sign each copy and return one to your firm.

Sincerely,

Name
Title

Enclosures (Open-ended contract)
Date

Mr. Project Manager

_________________________ University

Address
Address
City, State ZIP Code

RE: Project Name

Dear Mr. Project Manager:

Name of firm is pleased to submit this proposal to perform type of services for the above referenced project under our open-ended design services agreement.

The scope of work, schedule, and proposed fee are as follows:

SCOPE OF WORK:

SCHEDULE:

PROPOSED FEE:

The cost to provide the above referenced services is $.

We appreciate the opportunity to submit this proposal/contract for your review and approval. If you find this acceptable, please have each of the enclosed copies executed and return one copy to our office.

Sincerely,

Designer Contact

ACCEPTED:

_________________________ University Design Firm Name

By:__________________________ By:__________________________

Title:________________________ Title:________________________

Date:________________________ Date:________________________

O-E PROJECT (4/2005)
109.4 ADVANCE PLANNING

Advance planning contracts with designers are encouraged to assist Owners in programming, scope and budget analysis, site selection, studies, master planning, etc. Those reports, studies, estimate, etc. shall be included with OC-25 submittals for funding. Advance planning contracts are typically letter agreements for services or the standard design contract with limited scope. See also Chapter 305

A. Advance planning of capital improvement projects may be accomplished subject to GS 143-18.1. Funds may be made available to Owners to pay for advance planning only to establish scope, budget, programming, schedule, or feasibility of a project prior to a request for full funding.

B. Projects funded for advance planning through the normal capital improvement budget processes will be handled the same as fully funded projects in the procedures for designer selection, contracting and review.

C. Long-range planning or master planning for institutional development is encouraged. All agencies are requested to consult with the State Construction Office relative to these programs.

109.5 EMERGENCIES

Emergency situations are addressed in the General Statutes and SBC Rules: NCAC 30D 0302(e)

"(e) Special Procedures for Emergency Projects: On occasion, emergency design or consultation services may be required for restoration or correction of a facility condition which by its nature poses a hazard to persons or property, or when an emergency exists. Should this situation occur, in all likelihood there will not be sufficient time to follow the normal procedures described in this Rule. The Capital Projects Coordinator on these occasions may declare an emergency, notify the State Construction Office and then obtain the services of a designer or consultant for consultation or design of the corrective action. In all cases, such uses of these emergency powers shall involve a written description of the condition and rationale for employing this special authority signed by the head of the agency and presented to the SBC at its next normal meeting. Timeliness for obligation of funds or other non-hazardous or non-emergency situations do not constitute sufficient grounds for invoking this special authority."

SECTION 110 BUILDING DEMOLITION

110.1 GENERAL AUTHORITY

No building or structure owned by the State of North Carolina, except highways, bridges and railroads, may be razed, demolished or otherwise disposed of unless and until authority for such disposition has been approved by the Council of State and given in writing by the Department of Administration, State Property Office. (G.S. 143-341.4) All buildings to be razed or demolished shall be surveyed for asbestos-containing materials or other hazardous materials that shall be properly removed in accordance with environmental regulations and legally disposed of prior to demolition.

110.2 PROCEDURE TO OBTAIN AUTHORITY

Request for authority to raze or demolish any building or structure as defined above shall be made to the State Property Office on Form PO-2, Disposition of Real Property. Such request shall be accompanied by a resolution of the board or governing body where such board or governing body exists.
## REVIEW RESPONSIBILITY

<table>
<thead>
<tr>
<th>UNDER $500,000</th>
<th>$500,000 TO $2,000,000</th>
<th>OVER $2,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>- State Clearinghouse review not likely to apply because of size &amp; scope of projects</td>
<td>- By the State Clearinghouse in compliance with The Environmental Policy Act of North Carolina (if applicable)</td>
<td>- By the State Clearinghouse in compliance with The Environmental Policy Act of North Carolina (if applicable)</td>
</tr>
<tr>
<td>- By Institution for program, project phasing, campus design standards, staging areas, pedestrian &amp; vehicular safety, parking, tree protection &amp; other special requirements</td>
<td>- By Institution for program, project phasing, campus design standards, staging areas, pedestrian &amp; vehicular safety, parking, tree protection &amp; other special requirements</td>
<td>- By Institution for program, project phasing, campus design standards, staging areas, pedestrian &amp; vehicular safety, parking, tree protection &amp; other special requirements</td>
</tr>
<tr>
<td>- By Institution for project technical requirements (no technical A/E review by State Construction Office)</td>
<td>- By Institution for project technical requirements (no technical A/E review by State Construction Office)</td>
<td>- By Institution for project technical requirements in addition to technical A/E review by State Construction Office</td>
</tr>
<tr>
<td>- By Department of Labor for Elevators &amp; Boilers &amp; Pressure Vessels</td>
<td>- By Department of Labor for Elevators &amp; Boilers &amp; Pressure Vessels</td>
<td>- By Department of Labor for Elevators &amp; Boilers &amp; Pressure Vessels</td>
</tr>
<tr>
<td>- By Division of Facility Services for Patient Care</td>
<td>- By Division of Facility Services for Patient Care</td>
<td>- By Division of Facility Services for Patient Care</td>
</tr>
<tr>
<td>- By Division of Health Services for food, water, wastewater, solid waste</td>
<td>- By Division of Health Services for food, water, wastewater, solid waste</td>
<td>- By Division of Health Services for food, water, wastewater, solid waste</td>
</tr>
<tr>
<td>- By Division of Archives &amp; History for properties on the National Register</td>
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<tr>
<td>- By Division of Environmental Management for storm water, sewer system, etc.</td>
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</tr>
<tr>
<td>- By Division of Land Resources for land disturbance of more than one acre</td>
<td>- By Division of Land Resources for land disturbance of more than one acre</td>
<td>- By Division of Land Resources for land disturbance of more than one acre</td>
</tr>
</tbody>
</table>

Refer to the State Construction Manual for a complete list of reviewing agencies.

GR22 (rev 6/2011)
SCO Plan Reviews
Guidance for Small UNC “Download” Projects

SCO is the building code enforcement authority for UNC projects, regardless of project dollar value. At the same time, there are many activities that do not involve building code issues and so may be excluded from SCO review. Examples include, but may not be limited to:

1. Lamp replacement – Changing out lamps and ballasts, such as T12 lamps with magnetic ballasts to T8 lamps with electronic ballasts, while continuing to use the existing light fixture.
2. Like-in-kind replacement – Changing a product out for a new one if the new one is of like kind, such as VFD to VFD, but NOT constant speed drive to VFD motors.
3. Retro-commissioning – Changing controls and programs NOT involving construction.
4. Piping repairs – Repairs to hot water and chilled water piping if NO new routing is involved.
5. Occupancy sensors – Installation of occupancy sensors when NO new switches or wiring is involved.
6. Programmable thermostats – Installation of programmable thermostats replacing existing thermostats.
7. Exit sign replacement – Replacing existing exit signs with LED types when NO additional signs or relocations are involved.
8. Switch relocation – Relocating switches provided NO new ones are added to existing circuits.
9. Replacement flooring – Replacing existing flooring with new, like flooring. Like flooring must be comparable in fire rating/certification and accessibility characteristics.
10. Replacement ceilings – Ceiling tile replacement with new, like tile. Replacement must be comparable in fire rating/certification.
11. Replacement seating – Replacing existing seating with new, like seating of the same dimensions, provided NO changes in seating numbers or locations are involved.
12. Painting.
13. Bathroom partitions – Replacing or repairing existing bathroom partitions with no reconfiguration of space. Replacement partitions must have the same physical characteristics.
14. Shingle roofing – Repair or replacement of shingle roofing, provided no structural elements are involved.
15. Door hardware – Replacing existing door hardware, provided no change in locking functionality or practices such as electronic card access or delayed release are involved. Replacing existing with ADA compliant hardware, such as push bars.

For those download projects that require SCO review, requirements may be satisfied for some with only a narrative description, while others require more documentation or full, sealed construction documents. A seal is required for UNC projects exceeding $500,000 and for smaller projects involving structural or foundation support system changes or life safety systems. See General Statute 133-1.1 for seal requirements.

A narrative description, alone, is sufficient for projects such as:
1. A lighting retro-fit project involving a large number of lights or buildings.
2. A change in cfm air flow. The narrative must describe how the change meets the current ASHRAE standards for air exchange.
3. Emergency repairs to boilers, chillers, transformers, etc. - An emergency declaration letter is required from the institution’s Chancellor to identify such an emergency for immediate repair. Subsequent capital projects to more permanently address the needs will require appropriate project documentation.

Documentation, but not necessarily construction documents, will be needed for projects such as:

1. Changing light fixture types, such as 400 watt metal halide to T5.
2. Changing motor types, such as constant to variable speed drive.
3. The addition of a building automation system.
4. Any addition of equipment that involves new wiring or circuits.
5. Any change in electrical equipment or motors (smaller to larger or vice versa) requiring different wiring or over current protection.
6. Minor changes to wall partitions (non-load bearing) that do not affect required egress.

To determine the nature of review and documentation required for a specific project, prepare a brief description of the project and include a recommendation regarding SCO review and documentation level. Submit the description to Latif Kaid (latif.kaid@doa.nc.gov, 919-807-4095) for a determination. Based on this determination, instructions will be provided regarding how to proceed. Questions may be directed to Latif.
State Construction Office
Plan Review and Inspection of Non-State Funded Projects

Jurisdiction:

In August 2009, Senate Bill (SB) 425 was enacted which added the responsibility and jurisdiction for code compliance and electrical inspections of State and University projects to the State Construction Office (SCO). These responsibilities are not limited by the amount or source of funding. All State and University projects which construct, alter, renovate or add to State buildings or property, or are affected by any of the North Carolina Building Codes shall be submitted for code review and approval prior to the start of construction.

Privately Funded Projects on State Owned Land:

All projects constructed for the use of the State or any State institution, regardless of land, ground, or other lease arrangements, shall be submitted to SCO for code review and approval. For all Agency projects and University projects more than $2 Million in total construction cost, reviews for energy efficiency (SB668), and State Construction guidelines will also be performed. SCO will inspect, observe and assist with construction administration; however, no contractual matters and/or change orders will be reviewed or processed. Acceptance of the project at completion will be subject to a complete SCO Final Inspection with all life safety issues tested.

Privately Funded Projects on Private Land:

All projects constructed by private funds on private land for use by the State or any State institution, or connected to the State’s utilities, shall be reviewed for energy efficiency and published State Construction guidelines as posted on the SCO web site (www.nc-sco.com). Permitting and code compliance will be by the local authority having jurisdiction. SCO will not be involved in contractual matters or construction administration. A complete facility assessment and inspection shall be conducted if and when the building is donated and/or purchased by the State.

Privately Funded Projects on Community College Land:

All privately funded projects $500,000 or larger, constructed on Community College land shall be submitted to the State Construction Office for review for energy efficiency and State Construction guidelines. Permitting and code reviews are still required to be conducted by the local authority having jurisdiction. SCO will inspect, observe and assist with construction administration. Acceptance of the project at completion will be subject to a complete SCO Final Inspection with all life safety issues tested and the local authority having jurisdiction’s certificate of occupancy in place.

November 15, 2010
**Minimum Standards for Residential Projects** (see note below)

<table>
<thead>
<tr>
<th>COMPONENTS</th>
<th>BASE</th>
<th>POSSIBLE UPGRADE</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Framing Systems</td>
<td>Steel with exterior metal studs and wood interior framing</td>
<td>Steel with metal studs</td>
<td>Careful consideration should be observed about the use of Masonry shafts due to incompatibility</td>
</tr>
<tr>
<td>Exterior Cladding</td>
<td>Brick veneer with cast stone trim</td>
<td>NA</td>
<td></td>
</tr>
<tr>
<td>Exterior Cladding</td>
<td>Reduce Curtainwall to storefront/steel frame.</td>
<td></td>
<td>Main entrance only</td>
</tr>
<tr>
<td>Roofing System Slope</td>
<td>30 Year asphalt shingle</td>
<td>Metal/Slate</td>
<td></td>
</tr>
<tr>
<td>Roofing System Low Slope</td>
<td>20 Year Single Ply</td>
<td>30 Year Buildt-Up Roof</td>
<td></td>
</tr>
<tr>
<td>Interior Wall Systems</td>
<td>Regular 5/8&quot; drywall</td>
<td>Impact Resistance Drywall</td>
<td></td>
</tr>
<tr>
<td>Doors and Frames</td>
<td>Closet doors only six panel residential. All others solid core</td>
<td>Solid core wood doors at entrances and bedrooms Closet &amp; bathroom doors solid core / six panel residential</td>
<td></td>
</tr>
<tr>
<td>Windows</td>
<td>Vinyl</td>
<td>Aluminum</td>
<td></td>
</tr>
<tr>
<td>Cabinetry</td>
<td>Residential Grade</td>
<td>Finish</td>
<td></td>
</tr>
<tr>
<td>Fireproofing</td>
<td>To be per NCBC, no exceptions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fire Sprinkler System</td>
<td>NFPA 13R (up to 4 story building)</td>
<td>NFPA 13 Light Hazard</td>
<td>Must use NFPA 13 in all common use areas</td>
</tr>
<tr>
<td>Waste Piping</td>
<td>PVC pipe</td>
<td>Cast Iron</td>
<td>Must use cast iron on all waste verticals &amp; under building elbows/horizontals</td>
</tr>
<tr>
<td>Site Waste Piping</td>
<td>PVC pipe</td>
<td>NA</td>
<td>Must use cast iron or steel sleeves under vehicle traffic area</td>
</tr>
<tr>
<td>Water Distribution</td>
<td>CPVC or PEX</td>
<td>Copper</td>
<td>PVC not allowed</td>
</tr>
<tr>
<td>Toilet Type</td>
<td>Tank Type</td>
<td>Power assisted flush</td>
<td></td>
</tr>
</tbody>
</table>

March, 2011
## Minimum Standards for Residential Projects (see note below)

<table>
<thead>
<tr>
<th>COMPONENTS</th>
<th>BASE</th>
<th>POSSIBLE UPGRADE</th>
<th>NOTES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hot Water Distribution</td>
<td>Individual Electric water heaters</td>
<td>NA</td>
<td>Must meet the 30% energy mandate for whole building</td>
</tr>
<tr>
<td>Mechanical Systems</td>
<td>PTAC</td>
<td>Four Pipe Fan Coil</td>
<td></td>
</tr>
<tr>
<td>Telecom &amp; Low-voltage wiring</td>
<td>Plenum rated wiring</td>
<td></td>
<td>Where plenum ceiling exists only, supported in accordance w/ NEC</td>
</tr>
<tr>
<td>Electrical Wiring</td>
<td>MC Cable, 1/2&quot;, up to #12 AWG Solid copper w/ ground</td>
<td>EMT</td>
<td>Must use EMT in all common use areas</td>
</tr>
<tr>
<td>Fire Alarm</td>
<td>Plenum rated wiring</td>
<td>Red MC Cable</td>
<td>Can use as specified in University Guidelines</td>
</tr>
<tr>
<td>Service Feeders</td>
<td>Aluminum Feeders &gt; #1 AWG</td>
<td>Copper</td>
<td></td>
</tr>
<tr>
<td>Main Distribution Panel</td>
<td>Load-center Panels</td>
<td>Copper Bus, Bolt-on Breakers</td>
<td></td>
</tr>
<tr>
<td>Transformers</td>
<td>Aluminum Feeders</td>
<td>Copper</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Apply only to Privately Funded UNC System Dormitory buildings, Chancellors' residences and Park Rangers residences. All others must acquire SCO approval.

March, 2011
# 2012 Appendix B

## Building Code Summary

For All Commercial Projects

(Except 1 and 2-Family Dwellings and Townhouses)

(Reproduce the following data on the building plans sheet 1 or 2)

---

**Name of Project:**

**Address:**

**Zip Code:**

**Proposed Use:**

**Owner/Authorized Agent:**

**Phone #** (______) ______ -

**E-Mail:**

**Owned By:**

- [ ] City/County
- [ ] Private
- [ ] State

**Code Enforcement Jurisdiction:**

- [ ] City _________
- [ ] County _________
- [ ] State

---

**LEAD DESIGN PROFESSIONAL:**

<table>
<thead>
<tr>
<th>DESIGNER</th>
<th>FIRM</th>
<th>NAME</th>
<th>LICENSE #</th>
<th>TELEPHONE #</th>
<th>E-MAIL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Architectural</td>
<td></td>
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</tr>
<tr>
<td>Civil</td>
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<tr>
<td>Electrical</td>
<td></td>
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<tr>
<td>Fire Alarm</td>
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<tr>
<td>Plumbing</td>
<td></td>
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<tr>
<td>Mechanical</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Sprinkler-Standpipe</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Structural</td>
<td></td>
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<td></td>
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<td></td>
</tr>
<tr>
<td>Retaining Walls &gt;5' High</td>
<td></td>
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<tr>
<td>Other</td>
<td></td>
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</tr>
</tbody>
</table>

---

**2012 Edition of NC Code for:**

- [ ] New Construction
- [ ] Addition
- [ ] Upfit

**Existing:**

- [ ] Reconstruction
- [ ] Alteration
- [ ] Repair
- [ ] Renovation

**Constructed:** (date) ________

**Original Use(s) (Ch. 3):**

**Renovated:** (date) ________

**Current Use(s) (Ch. 3):**

**Proposed Use(s) (Ch. 3):**

---

**Basic Building Data**

- **Construction Type:**
  - [ ] I-A
  - [ ] I-B
  - [ ] II-A
  - [ ] II-B
  - [ ] III-A
  - [ ] III-B
  - [ ] IV
  - [ ] V-A
  - [ ] V-B

- **Sprinklers:**
  - [ ] No
  - [ ] Partial
  - [ ] Yes
  - [ ] NFPA 13
  - [ ] NFPA 13R
  - [ ] NFPA 13D

- **Standpipes:**
  - [ ] No
  - [ ] Yes
  - [ ] Class
  - [ ] I
  - [ ] II
  - [ ] III
  - [ ] Wet
  - [ ] Dry

- **Fire District:**
  - [ ] No
  - [ ] Yes (Primary)

- **Flood Hazard Area:**
  - [ ] No
  - [ ] Yes

- **Building Height:** (feet) ________

- **Gross Building Area:**

<table>
<thead>
<tr>
<th>FLOOR</th>
<th>EXISTING (SQ FT)</th>
<th>NEW (SQ FT)</th>
<th>RENO/ALTER (SQ FT)</th>
<th>SUB-TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>6th</td>
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<tr>
<td>5th</td>
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<td>4th</td>
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<tr>
<td>3rd</td>
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<tr>
<td>2nd</td>
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<td></td>
</tr>
<tr>
<td>Mezzanine</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Basement</td>
<td></td>
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</tr>
</tbody>
</table>

**Total:**

---

2012 NC Administrative Code and Policies
ALLOWABLE AREA

Occupancy:
- Business
- Educational
- Factory ☐ F-1 Moderate ☐ F-2 Low
- Hazardous ☐ H-1 Detonate ☐ H-2 Deflagrate ☐ H-3 Combust ☐ H-4 Health ☐ H-5 HPM
- Institutional ☐ I-1 ☐ I-2 ☐ I-3 ☐ I-4
  ☐ 1-3 Condition ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
- Mercantile
- Residential ☐ R-1 ☐ R-2 ☐ R-3 ☐ R-4
- Storage ☐ S-1 Moderate ☐ S-2 Low ☐ High-piled
  ☐ Parking Garage ☐ Open ☐ Enclosed ☐ Repair Garage
- Utility and Miscellaneous

Accessory Occupancies:
- Business
- Educational
- Factory ☐ F-1 Moderate ☐ F-2 Low
- Hazardous ☐ H-1 Detonate ☐ H-2 Deflagrate ☐ H-3 Combust ☐ H-4 Health ☐ H-5 HPM
- Institutional ☐ I-1 ☐ I-2 ☐ I-3 ☐ I-4
  ☐ 1-3 Condition ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5
- Mercantile
- Residential ☐ R-1 ☐ R-2 ☐ R-3 ☐ R-4
- Storage ☐ S-1 Moderate ☐ S-2 Low ☐ High-piled
  ☐ Parking Garage ☐ Open ☐ Enclosed ☐ Repair Garage
- Utility and Miscellaneous

Incidental Uses (Table 508.2.5):
- ☐ Furnace room where any piece of equipment is over 400,000 Btu per hour input
- ☐ Rooms with boilers where the largest piece of equipment is over 15 psi and 10 horsepower
- ☐ Refrigerant machine room
- ☐ Hydrogen cutoff rooms, not classified as Group H
- ☐ Incinerator rooms
- ☐ Paint shops, not classified as Group H, located in occupancies other than Group F
- ☐ Laboratories and vocational shops, not classified as Group H, located in a Group E or I-2 occupancy
- ☐ Laundry rooms over 100 square feet
- ☐ Group I-3 cells equipped with padded surfaces
- ☐ Group I-2 waste and linen collection rooms
- ☐ Waste and linen collection rooms over 100 square feet
- ☐ Stationary storage battery systems having a liquid electrolyte capacity of more than 50 gallons, or a lithium-ion capacity of 1,000 pounds used for facility standby power, emergency power or uninterrupted power supplies
- ☐ Rooms containing fire pumps
- ☐ Group I-2 storage rooms over 100 square feet
- ☐ Group I-2 commercial kitchens
- ☐ Group I-2 laundries equal to or less than 100 square feet
- ☐ Group I-2 rooms or spaces that contain fuel-fired heating equipment

Special Uses:
- ☐ 402  ☐ 403  ☐ 404  ☐ 405  ☐ 406  ☐ 407  ☐ 408  ☐ 409  ☐ 410  ☐ 411  ☐ 412
- ☐ 413  ☐ 414  ☐ 415  ☐ 416  ☐ 417  ☐ 418  ☐ 419  ☐ 420  ☐ 421  ☐ 422  ☐ 423  ☐ 424
- ☐ 425  ☐ 426  ☐ 427

Special Provisions: ☐ 509.2  ☐ 509.3  ☐ 509.4  ☐ 509.5  ☐ 509.6  ☐ 509.7  ☐ 509.8  ☐ 509.9

Mixed Occupancy: ☐ No ☐ Yes ☐ Separation: _______ Hr. Exception: ______________________

Incidental Use Separation (508.2.5)

2012 NC Administrative Code and Policies 131
This separation is not exempt as a Non-Separated Use (see exceptions).

☐ Non-Separated Use (508.3)
The required type of construction for the building shall be determined by applying the height and area limitations for each of the applicable occupancies to the entire building. The most restrictive type of construction, so determined, shall apply to the entire building.

☐ Separated Use (508.4) - See below for area calculations
For each story, the area of the occupancy shall be such that the sum of the ratios of the actual floor area of each use divided by the allowable floor area for each use shall not exceed 1.

\[
\frac{\text{Actual Area of Occupancy A}}{\text{Allowable Area of Occupancy A}} + \frac{\text{Actual Area of Occupancy B}}{\text{Allowable Area of Occupancy B}} \leq 1
\]

\[
\quad + \quad + \quad + \quad = \quad \leq 1.00
\]

<table>
<thead>
<tr>
<th>STORY NO.</th>
<th>DESCRIPTION AND USE</th>
<th>(A) BLDG AREA PER STORY (ACTUAL)</th>
<th>(B) TABLE 503 AREA</th>
<th>(C) AREA FOR FRONTAGE INCREASE(^1)</th>
<th>(D) AREA FOR SPRINKLER INCREASE(^2)</th>
<th>(E) ALLOWABLE AREA OR UNLIMITED(^3)</th>
<th>(F) MAXIMUM BUILDING AREA(^4)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>

\(^1\) Frontage area increases from Section 506.2 are computed thus:
   a. Perimeter which fronts a public way or open space having 20 feet minimum width = \(F\) (F)
   b. Total Building Perimeter = \(P\) (P)
   c. Ratio \(F/P\) = \(F/P\) (F/P)
   d. \(W\) = Minimum width of public way = \(W\) (W)
   e. Percent of frontage increase \(I_f\) = \(100 [\ F/P \ - \ 0.25 \] \times \ W/30\) = \(\%\) (%)

\(^2\) The sprinkler increase per Section 506.3 is as follows:
   a. Multi-story building \(l_s = 200\) percent
   b. Single story building \(l_s = 300\) percent

\(^3\) Unlimited area applicable under conditions of Section 507.

\(^4\) Maximum Building Area = total number of stories in the building \times E (506.4).

\(^5\) The maximum area of open parking garages must comply with Table 406.3.5. The maximum area of air traffic control towers must comply with Table 412.1.2.

### ALLOWABLE HEIGHT

<table>
<thead>
<tr>
<th>Type of Construction</th>
<th>ALLOWABLE (TABLE 503)</th>
<th>INCREASE FOR SPRINKLERS</th>
<th>SHOWN ON PLANS</th>
<th>CODE REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Height in Feet</td>
<td>(H + 20' = )</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Building Height in Stories</td>
<td>(Stories + 1 = )</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2012 NC Administrative Code and Policies

132
### FIRE PROTECTION REQUIREMENTS

<table>
<thead>
<tr>
<th>BUILDING ELEMENT</th>
<th>FIRE SEPARATION DISTANCE (FEET)</th>
<th>RATING</th>
<th>DETAIL # AND SHEET #</th>
<th>DESIGN # FOR RATED ASSEMBLY</th>
<th>DESIGN # FOR RATED PENETRATION</th>
<th>DESIGN # FOR RATED JOINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Structural Frame, including columns, girders, trusses</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bearing Walls</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exterior</td>
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<td></td>
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<tr>
<td>North</td>
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<tr>
<td>East</td>
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<td>West</td>
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<tr>
<td>South</td>
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<tr>
<td>Interior</td>
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<tr>
<td>Nonbearing Walls and Partitions</td>
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<tr>
<td>Exterior walls</td>
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<tr>
<td>North</td>
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<td>East</td>
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<td>West</td>
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<tr>
<td>South</td>
<td></td>
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</tr>
<tr>
<td>Interior walls and partitions</td>
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<tr>
<td>Floor Construction</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Including supporting beams and joists</td>
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<td>Roof Construction</td>
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<td>Including supporting beams and joists</td>
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<tr>
<td>Shaft Enclosures - Exit</td>
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<tr>
<td>Shaft Enclosures - Other</td>
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<tr>
<td>Corridor Separation</td>
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<tr>
<td>Occupancy Separation</td>
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<tr>
<td>Party/Fire Wall Separation</td>
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<tr>
<td>Smoke Barrier Separation</td>
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<tr>
<td>Tenant Separation</td>
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<tr>
<td>Incidental Use Separation</td>
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</tbody>
</table>

* Indicate section number permitting reduction

### LIFE SAFETY SYSTEM REQUIREMENTS

- Emergency Lighting:  □ No  □ Yes
- Exit Signs:  □ No  □ Yes
- Fire Alarm:  □ No  □ Yes
- Smoke Detection Systems:  □ No  □ Yes  □ Partial ______
- Panic Hardware:  □ No  □ Yes

### LIFE SAFETY PLAN REQUIREMENTS

Life Safety Plan Sheet #: _______________________

- □ Fire and/or smoke rated wall locations (Chapter 7)
- □ Assumed and real property line locations
- □ Exterior wall opening area with respect to distance to assumed property lines (705.8)

*2012 NC Administrative Code and Policies*
Existing structures within 30’ of the proposed building
Occupyancy types for each area as it relates to occupant load calculation (Table 1004.1.1)
Occupant loads for each area
Exit access travel distances (1016)
Common path of travel distances (1014.3 & 1028.8)
Dead end lengths (1018.4)
Clear exit widths for each exit door
Maximum calculated occupant load capacity each exit door can accommodate based on egress width (1005.1)
Actual occupant load for each exit door
A separate reduced scaled plan indicating where fire rated floor/ceiling and/or roof structure is provided for purposes of occupany separation and supporting construction for a fire barrier/fire partition/smoke barrier. (707.5.1, 709.4 & 710.4).
Location of doors with panic hardware (1008.1.10)
Location of doors with delayed egress locks and the amount of delay (1008.1.9.7)
Location of doors with electromagnetic egress locks (1008.1.9.8)
Location of doors equipped with hold-open devices
Location of emergency escape windows (1029)
The square footage of each fire area (902)
The square footage of each smoke compartment (407.4)
Note any code exceptions or table notes that may have been utilized regarding the items above

<table>
<thead>
<tr>
<th>Section/Table/Note</th>
<th>Title</th>
</tr>
</thead>
</table>

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**ACCESSIBLE DWELLING UNITS**

(SECTION 1107)

<table>
<thead>
<tr>
<th>TOTAL UNITS</th>
<th>ACCESSIBLE UNITS REQUIRED</th>
<th>ACCESSIBLE UNITS PROVIDED</th>
<th>TYPE A UNITS REQUIRED</th>
<th>TYPE A UNITS PROVIDED</th>
<th>TYPE B UNITS REQUIRED</th>
<th>TYPE B UNITS PROVIDED</th>
<th>TOTAL ACCESSIBLE UNITS PROVIDED</th>
</tr>
</thead>
</table>

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**ACCESSIBLE PARKING**

(SECTION 1106)

<table>
<thead>
<tr>
<th>LOT OR PARKING AREA</th>
<th>TOTAL # OF PARKING SPACES REQUIRED</th>
<th>PROVIDED</th>
<th># OF ACCESSIBLE SPACES PROVIDED</th>
<th>VAN SPACES WITH 132&quot; ACCESS AISLE</th>
<th>8&quot; ACCESS AISLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOTAL</td>
<td></td>
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</tbody>
</table>

---

**STRUCTURAL DESIGN**

**DESIGN LOADS:**

Importance Factors:
- Wind ($I_W$)
- Snow ($I_S$)
- Seismic ($I_C$)

2012 NC Administrative Code and Policies

134
Live Loads:
- Roof: ________ psf
- Mezzanine: ________ psf
- Floor: ________ psf

Ground Snow Load: ________ psf

Wind Load:
- Basic Wind Speed: ________ mph (ASCE-7)
- Exposure Category: ________
- Wind Base Shears (for MWFRS) Vx = ________  Vy = ________

SEISMIC DESIGN CATEGORY:
- □ A  □ B  □ C  □ D
- Provide the following Seismic Design Parameters:
  - Occupancy Category (Table 1604.5) □ I  □ II  □ III  □ IV
  - Spectral Response Acceleration Ss %g  S1 %g
  - Site Classification (Table 1613.5.2) □ A  □ B  □ C  □ D  □ E  □ F
    - Data Source: □ Field Test □ Presumptive □ Historical Data
  - Basic structural system (check one):
    - □ Bearing Wall □ Dual w/Special Moment Frame
    - □ Building Frame □ Dual w/Intermediate R/C or Special Steel
    - □ Moment Frame □ Inverted Pendulum
  - Seismic base shear: Vx = ________  Vy = ________

Analysis Procedure:
- □ Simplified  □ Equivalent Lateral Force  □ Dynamic
- Architectural, Mechanical, Components anchored? □ Yes □ No

LATERAL DESIGN CONTROL:
- Earthquake □  Wind □

SOIL BEARING CAPACITIES:
- Field Test (provide copy of test report) ________ psf
- Presumptive Bearing capacity ________ psf
- Pile size, type, and capacity

SPECIAL INSPECTIONS REQUIRED:
- □ Yes □ No

PLUMBING Fixture REQUIREMENTS
(TABLE 2902.1)

<table>
<thead>
<tr>
<th>USE</th>
<th>WATERCLOSETS</th>
<th>URINALS</th>
<th>LAVATORIES</th>
<th>SHOWERS/TUBS</th>
<th>DRINKING FOUNTAINS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>MALE</td>
<td>FEMALE</td>
<td>MALE</td>
<td>FEMALE</td>
<td>Regular Accessible</td>
</tr>
<tr>
<td>SPACE</td>
<td></td>
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<tr>
<td>EXISTING</td>
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<tr>
<td>NEW</td>
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<tr>
<td>REQUIRED</td>
<td></td>
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</tbody>
</table>

SPECIAL APPROVALS

Special approval: (Local Jurisdiction, Department of Insurance, SCO, DPI, DHHS, ICC, etc., describe below)

________________________________________________________________________
________________________________________________________________________
________________________________________________________________________

2012 NC Administrative Code and Policies 135
ENERGY SUMMARY

ENERGY REQUIREMENTS:
The following data shall be considered minimum and any special attribute required to meet the North Carolina Energy Conservation Code shall also be provided. Each Designer shall furnish the required portions of the project information for the plan data sheet. If performance method, state the annual energy cost for the standard reference design vs annual energy cost for the proposed design.

Climate Zone: □ 3 □ 4 □ 5

Method of Compliance:
□ Prescriptive  (Energy Code)
□ Performance  (Energy Code)
□ Prescriptive  (ASHRAE 90.1)
□ Performance  (ASHRAE 90.1)

THERMAL ENVELOPE

Roof/ceiling Assembly (each assembly)
Description of assembly: __________________________
U-Value of total assembly: __________
R-Value of insulation: __________
Skylights in each assembly: __________
   U-Value of skylight: __________
   Total square footage of skylights in each assembly: __________

Exterior Walls (each assembly)
Description of assembly: __________________________
U-Value of total assembly: __________
R-Value of insulation: __________
Openings (windows or doors with glazing)
   U-Value of assembly: __________
   Solar heat gain coefficient: __________
   Projection factor: __________
   Door R-Values: __________

Walls below grade (each assembly)
Description of assembly: __________________________
U-Value of total assembly: __________
R-Value of insulation: __________

Floors over unconditioned space (each assembly)
Description of assembly: __________________________
U-Value of total assembly: __________
R-Value of insulation: __________

Floors slab on grade
Description of assembly: __________________________
U-Value of total assembly: __________
R-Value of insulation: __________
Horizontal/vertical requirement: __________
Slab heated: __________
Section 502.4.3 Sealing of Building Envelope [Indicate where details are in the set]

- Joint around fenestration and door frames
- Junction between walls and foundations, walls at building corners, walls and structural floors or roofs, walls and roof or wall panels.
- Openings at penetrations of utility services through roofs, walls, and floors including but not limited to electrical, plumbing, mechanical, security and communications.
- Site-built fenestration and doors.
- Joints, seams and penetrations of air barrier system.
- Other openings in the building envelope.

Samples of construction details are available in Appendix 2.1

---

MECHANICAL SUMMARY

MECHANICAL SYSTEMS, SERVICE SYSTEMS AND EQUIPMENT

**Thermal Zone**
- winter dry bulb: __________
- summer dry bulb: __________

**Interior design conditions**
- winter dry bulb: __________
- summer dry bulb: __________
- relative humidity: __________

**Building heating load:** __________

**Building cooling load:** __________

**Mechanical Spacing Conditioning System**

**Unitary**
- description of unit: __________
- heating efficiency: __________
- cooling efficiency: __________
- size category of unit: __________

**Boiler**
- Size category. If oversized, state reason.: __________

**Chiller**
- Size category. If oversized, state reason.: __________

**List equipment efficiencies:** __________

---

ELECTRICAL SUMMARY

ELECTRICAL SYSTEM AND EQUIPMENT

**Method of Compliance:**
- Energy Code:   □ Prescriptive  □ Performance
ASHRAE 90.1: □ Prescriptive □ Performance

Lighting schedule (each fixture type)
   lamp type required in fixture
   number of lamps in fixture
   ballast type used in the fixture
   number of ballasts in fixture
   total wattage per fixture
   total interior wattage specified vs. allowed (whole building or space by space)
   total exterior wattage specified vs. allowed

Additional Prescriptive Compliance
   □ 506.2.1 More Efficient Mechanical Equipment
   □ 506.2.2 Reduced Lighting Power Density
   □ 506.2.3 Energy Recovery Ventilation Systems
   □ 506.2.4 Higher Efficiency Service Water Heating
   □ 506.2.5 On-Site Supply of Renewable Energy
   □ 506.2.6 Automatic Daylighting Control Systems
<table>
<thead>
<tr>
<th>UNDER $500,000</th>
<th>$500,000 TO $2,000,000</th>
<th>OVER $2,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>-Single prime or multi-prime bidders may be prequalified*, but not subcontractors.</td>
<td>-Single prime or multi-prime bidders may be prequalified*, but not subcontractors. See CM at Risk for bidding &amp; award of first tier subcontracts under this delivery method.</td>
<td>-Single prime or multi-prime bidders may be prequalified*, but not subcontractors. See CM at Risk for bidding &amp; award of first tier subcontracts under this delivery method.</td>
</tr>
<tr>
<td>-No Formal Advertisement but hold open for 10 calendar days</td>
<td>-Formal Advertisement - advertise for a minimum of 21 calendar days in newspaper and on UNC-GA web site (a minimum of 7 calendar days required for rebid)**</td>
<td>-Formal Advertisement - advertise for a minimum of 21 calendar days in newspaper and on UNC-GA web site (a minimum of 7 calendar days required for rebid)**</td>
</tr>
<tr>
<td>-No Bonding Requirements under $500,000, but may be requested at University discretion</td>
<td>-Bid, Performance and Payment Bond Required</td>
<td>-Bid, Performance and Payment Bond Required</td>
</tr>
<tr>
<td>-Informal Bid Opening (receipt of 3 bids is not required to open, but for the advantage of competitive bids at least 3 should be solicited)</td>
<td>-Formal Bid Opening - announce bidding closed, ask three questions (minimum three bids to open on initial bid opening attempt)</td>
<td>-Formal Bid Opening - announce bidding closed, ask three questions (minimum three bids to open on initial bid opening attempt)</td>
</tr>
<tr>
<td>-Institution the Awarding Authority Use approved informal general conditions, contract forms</td>
<td>-UNC-General Administration the Awarding Authority Use standard download terms and conditions and contract forms.</td>
<td>-State Construction Office the Awarding Authority Use standard SCO general conditions and contract forms.</td>
</tr>
<tr>
<td>-Institution establishes award procedure &amp; standard contract documents (copies of bid tabs, HUB data, award letter &amp; contract should be on file)</td>
<td>-Award request forwarded to Associate Vice President - Finance and University Property Officer (Terry Feravich) with copies of bid tabulation &amp; HUB documentation</td>
<td>-Award request forwarded to State Construction Office (copy to Terry Feravich) with copies of bid tab, bid summary sheet &amp; HUB documentation</td>
</tr>
<tr>
<td>-Institution adopts HUB Plan &amp; establishes HUB guidelines for bid data</td>
<td>-Use HUB guidelines &amp; affidavits as found on the UNC-General Administration Web Site</td>
<td>-Use HUB guidelines &amp; affidavits as found on the State Construction Office Web Site</td>
</tr>
<tr>
<td>-Institution collects &amp; reports HUB data to the State HUB Office (HUBSCO) and UNC-General Administration (CAPSTAT/spreadsheet)</td>
<td>-Institution collects &amp; reports HUB data to the State HUB Office (HUBSCO) and UNC-General Administration (CAPSTAT)</td>
<td>-Institution collects &amp; reports HUB data to the State HUB Office (HUBSCO) and UNC-General Administration (CAPSTAT)</td>
</tr>
<tr>
<td>-Designer (or institution) prepares contract for execution</td>
<td>-Designer (or institution) prepares contract for execution upon receipt of award authorization</td>
<td>-Designer (or institution) prepares contract for execution upon receipt of award authorization</td>
</tr>
<tr>
<td>-Once fully executed, the contract is approved by Institution's Attorney as to form</td>
<td>-Once fully executed, the contract is approved by Institution's Attorney as to form</td>
<td>-Once fully executed, the contract is forwarded by the Institution to the State Construction Office for approval by the Office of the Attorney General</td>
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</tbody>
</table>

*All prequalification applications should use the prequalification form & instructions approved by the State Building Commission. These forms are posted on the SCO web site, but must be down loaded and altered by the owner to fit requirements of the specific project in question.

**When posted on the UNC-GA web site the advertisement will also appear on the State Construction Office web site.
USE SHORT FORM TO SAVE ADVERTISING EXPENSES

ADVERTISEMENT FOR BIDS

Sealed proposals will be received until _____________ on _____________,
(time) (date)
in __________________________, for the construction of
(location)

______________________________
(project)

at which time and place bids will be opened and read.

Complete plans and specifications for this project can be obtained from

______________________________
(designer name and address, plan service name and address, etc.)

during normal office hours after ____________________.
(date)

Plan Deposit ________________________________
($ amount)

The state reserves the unqualified right to reject any and all proposals.

Signed: ________________________________
(Owner)
(This is a format only and must be edited for the specific project)  
-----Edit or delete all portions in red or italics------

This format should NOT BE USED as a newspaper notice unless preferred alternates are being considered. The open meeting for preferred alternates may be held separately or in conjunction with the project pre-bid meeting. The pre-bid meeting should be held no later than 14 days prior to project bid date. Newspaper ads should not be "extravagant" to conserve Owner contingency for program.

NOTICE TO BIDDERS

Sealed proposals will be received by the (Agency, Institution, Department, Board) in (City) NC, in the office of (designated person) (mailable address) & (bid opening location/room #) ___________ up to 3:00 pm (Date) 20___ and immediately thereafter publicly opened and read for the furnishing of labor, material and equipment entering into the construction of

------------------------(Name of Project)------------------------

------------------------(Brief Description of Scope)------------------------

Bids will be received for ___ Contract type -(single prime) -(separate prime) -(dual bidding*) – and if separate prime use only: (General, Plumbing, Mechanical and Electrical). All proposals shall be lump sum.

*Note: Dual bidding requires separate prime bids be received, but not opened, (1) one hour prior to receiving single prime bids. Upon receipt of single prime bids, all bids will be opened and read. See SBC Guidelines for opening.

Pre-Bid Meeting

An open pre-bid meeting will be held for all interested bidders on (Date --- Time ---- Public Location). The meeting will address project specific questions, issues, bidding procedures and bid forms. (Include any other information as necessary to facilitate bidders understanding of the work.

(Delete the following section if preferred brand alternates are NOT being considered.)

The meeting is also to identify preferred brand alternates and their performance standards that the owner will consider for approval on this project.

In accordance with General Statute GS 133-3, Specifications may list one or more preferred brands as an alternate to the base bid in limited circumstances. Specifications containing a preferred brand alternate under this section must identify the performance standards that support the preference. Performance standards for the preference must be approved in advance by the owner in an open meeting. Any alternate approved by the owner shall be approved only where (i) the preferred alternate will provide cost savings, maintain or improve the functioning of any process or system affected by the preferred item or items, or both, and (ii) a justification identifying these criteria is made available in writing to the public.

In accordance with GS133-3 and SCO procedures the following preferred brand items are being considered as Alternates by the owner for this project:

A. __________ B. __________ C. __________ D. __________ E. __________ etc.

Justification of any approvals will be made available to the public in writing no later than seven (7) days prior to bid date.

Complete plans, specifications and contract documents will be open for inspection in the offices of (Owner and the Designer) and in the plan rooms of the Associated General Contractors, Carolinas Branch, (City) in the local North Carolina offices of McGraw-Hill Dodge Corporation, and in the Eastern Regional Office of Reed Construction Data in Norcross, GA and in Minority Plan Rooms in -----(Edit list below)-----

SCO-Notice To Bidders 2010 – (Updated Dec. 2010)
Designers should verify minority plan room information prior to issuing documents.

Hispanic Contractors Association of the Carolinas (HCAC) in Winston-Salem, Charlotte and Raleigh Areas – 877-227-1680

Projects within the following counties: Buncombe, Haywood, Henderson, Jackson, Madison and Swain shall have bid documents (Plans and Specifications) submitted to the Cherokee Business Development Center, PO Box 1200, Ginger Lynn Welch Complex, 810 Acquoni Road, Cherokee, NC 28719. Phone: 828-497-1666, FAX: 828-497-1665.

Projects within the following counties: Durham, Person, Orange, Chatham and Wake shall have bid documents submitted to: NCIMED Plan & Resource Center, 114 West Parrish Street, 6th Floor, Durham, NC 27701, 919-956-8889 or 919-287-3036

Projects within the following counties: Mecklenburg, Cabarrus, Iredell, Union, Gaston, Anson, Rowan and Lincoln shall have bid documents submitted to: Metrolina Minority Contractors Association, 3124 W. Trade Street, Unit A, Charlotte, NC 28202. Ph. 704-332-5746 Fax: 704-332-5990

Projects in the Greenville/Eastern NC areas shall have documents submitted to: East Coast Digital – Minority Plan Room Provider 703 SE Greenville Blvd, Greenville, NC 27858, 252-758-1616

or may be obtained by those qualified as prime bidders, upon deposit of _______________ dollars ($____________) in cash or certified check. The full plan deposit will be returned to those bidders provided all documents are returned in good, usable condition within ten (10) days after the bid date.

If a contractor is bidding under the dual system both as a single prime contractor and as a separate prime contractor, he must submit the bids on separate forms and in separate envelopes. Bidders should clearly indicate on the outside of the bid envelope which contract(s) they are bidding.

NOTE: The bidder shall include with the bid proposal the form Identification of Minority Business Participation identifying the minority business participation it will use on the project and shall include either Affidavit A or Affidavit B as applicable. Forms and instructions are included within the Proposal Form in the bid documents. Failure to complete these forms is grounds for rejection of the bid. (GS143-128.2c Effective 1/1/2002.)

All contractors are hereby notified that they must have proper license as required under the state laws governing their respective trades.

General contractors are notified that Chapter 87, Article 1, General Statutes of North Carolina, will be observed in receiving and awarding general contracts. General contractors submitting bids on this project must have license classification for:

(set forth the license classification required by the NC General Contractors Licensing Board under G.S. 87-1)

NOTE—SINGLE PRIME CONTRACTS: Under GS 87-1, a contractor that superintends or manages construction of any building, highway, public utility, grading, structure or improvement shall be deemed a "general contractor" and shall be so licensed. Therefore a single prime project that involves other trades will require the single prime contractor to hold a proper General Contractors license. EXCEPT: On public buildings being bid single prime, where the total value of the general construction does not exceed 25% of the total construction value, contractors under GS87- Arts 2 and 4 (Plumbing, Mechanical & Electrical) may bid and contract directly with the Owner as the SINGLE PRIME CONTRACTOR and may subcontract to other properly licensed trades. GS87-1.1- Rules .0210

In the case of separate prime or dual bidding use the following statement:

Plumbing, Mechanical and Electrical prime contractors are notified that General Statutes Chapter 87, Articles 2 & 4, will be observed in receiving and awarding plumbing, mechanical and electrical contracts.

Each proposal shall be accompanied by a cash deposit or a certified check drawn on some bank or trust company, insured by the Federal Deposit Insurance Corporation, of an amount equal to not less than five percent (5%) of the proposal, or in lieu thereof a bidder may offer a

SCO-Notice To Bidders 2010 (Updated Dec. 2010)
bid bond of five percent (5%) of the bid executed by a surety company licensed under the laws of North Carolina to execute the contract in accordance with the bid bond. Said deposit shall be retained by the owner as liquidated damages in event of failure of the successful bidder to execute the contract within ten days after the award or to give satisfactory surety as required by law.

A performance bond and a payment bond will be required for one hundred percent (100%) of the contract price.

Payment will be made based on ninety-five percent (95%) of monthly estimates and final payment made upon completion and acceptance of work.

No bid may be withdrawn after the scheduled closing time for the receipt of bids for a period of 30 days.

The owner reserves the right to reject any or all bids and to waive informalities.

Designer:  
(Name)  
(Address)  
(Phone)  

Owner:  
(Agency/Institution)
USE OF PREFERRED ALTERNATES

§ 133-3. Specifications to carry competitive items; substitution of materials.

All architects, engineers, designers, or draftsmen, when providing design services, or writing specifications, directly or indirectly, for materials to be used in any city, county or State work, shall specify in their plans the required performance and design characteristics of such materials. However, when it is impossible or impractical to specify the required performance and design characteristics for such materials, then the architect, engineer, designer or draftsman may use a brand name specification so long as they cite three or more examples of items of equal design or equivalent design, which would establish an acceptable range for items of equal or equivalent design. The specifications shall state clearly that the cited examples are used only to denote the quality standard of product desired and that they do not restrict bidders to a specific brand, make, manufacturer or specific name; that they are used only to set forth and convey to bidders the general style, type, character and quality of product desired; and that equivalent products will be acceptable. Where it is impossible to specify performance and design characteristics for such materials and impossible to cite three or more items due to the fact that there are not that many items of similar or equivalent design in competition, then as many items as are available shall be cited. On all city, county or State works, the maximum interchangeability and compatibility of cited items shall be required. The brand of product used on a city, county or State work shall not limit competitive bidding on future works. Specifications may list one or more preferred brands as an alternate to the base bid in limited circumstances. Specifications containing a preferred brand alternate under this section must identify the performance standards that support the preference. Performance standards for the preference must be approved in advance by the owner in an open meeting. Any alternate approved by the owner shall be approved only where (i) the preferred alternate will provide cost savings, maintain or improve the functioning of any process or system affected by the preferred item or items, or both, and (ii) a justification identifying these criteria is made available in writing to the public. Substitution of materials, items, or equipment of equal or equivalent design shall be submitted to the architect or engineer for approval or disapproval; such approval or disapproval shall be made by the architect or engineer prior to the opening of bids. The purpose of this statute is to mandate and encourage free and open competition on public contracts. (1933, c. 66, s. 3; 1951, c. 1104, s. 5; 1993, c. 334, s. 7.1; 2002-107, s. 5; 2002-159, s. 64(c).)

North Carolina General Statute 133-3 (shown above) requires bidding competition for materials used on construction projects but does allow the specification of brand specific items on a limited basis to be bid as preferred alternates (see highlighted lines above).

Such preferred alternates should be limited to equipment and components of building control systems, fire alarm systems, energy management systems, building security systems (including door hardware), and central utility systems. Overuse of preferred alternates may trigger legislative action that would eliminate the ability to bid brand specific items.

Appearance & color, while important, are not a performance standard which makes it very difficult to justify such things as paint colors, brick, etc. If a particular item must match an existing element, color or texture, it is sufficient to specify that as a requirement and let brands compete against that requirement.

There may be a few instances when a facility is being constructed for lease to a national chain (such as Chick-filet, MacDonals, Hardees, etc) that contract obligations make it becomes necessary to match the décor specified by that national chain. In those cases a preferred alternate is not necessary. The specific item(s) may simply be required in the body of the project specifications.
State Construction Office

Recommended Procedures for Compliance with GS 133-3

Effective on projects advertised for bids on or after January 1, 2003

1. For all city, county, state and other public entities whose building projects are subject to Article 8 of Chapter 143 of the General Statutes, the architects and engineers shall prepare specifications in accordance with the latest provisions of GS133-3 which provides for free and open competition on public contracts.

2. The specifications shall contain a performance specification or name at least three brands of equal or equivalent design characteristics. If the designer or owner prefers a particular brand of product or material then such brand shall be bid as an alternate to the three items of equal or equivalent design in the base bid, one of which may be the preferred brand.

3. The designer's specifications for the preferred brand alternate must also identify the performance standards that support the preference.

4. The owner shall publish a Notice to Bidders in a newspaper having statewide circulation and an appropriate public website announcing an open meeting for presentation of the performance standards. The notice shall be published no later than 7 days prior to the meeting and 14 days prior to bid opening and shall include the date, time and public place for the meeting. The notice shall include a listing of the preferred item(s) to be presented.

5. The open meeting may be held separately or in conjunction with the project pre-bid meeting provided the meeting occurs no later than 14 days prior to the bid opening to allow time for public comment and issuance of any addenda no later than 7 days prior to the bid opening.

6. A designated official of the owner will conduct the meeting. The designer will present information to the owner in support of the preferred product alternate and include written documentation. The owner should allow time at the meeting for input from interested parties and those who have requested in advance to comment on the preferred alternate. The owner may consider comments at the meeting and/or written comments provided in advance in approving or disapproving the preferred brand alternate.

7. Where alternates are approved at the meeting, the owner shall provide justification in a written statement made available to the public, the criteria used to support the approval. GS133-3 lists the only criteria as cost savings or to maintain or improve the function of any process or system affected by the preferred product or both. The justification shall be published no later than 7 days prior to the bid opening date.

8. The owner will maintain all documentation as part of the project file consistent with the public records requirements of the State of North Carolina.
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New York  ~ 1,677 Projects valued at $3,848 million
Florida  ~ 1,420 Projects valued at $2,504 million
Ohio  ~ 1,563 Projects valued at $1,847 million
Illinois  ~ 1,922 Projects valued at $2,163 million
Pennsylvania  ~ 1,630 Projects valued at $2,188 million
Virginia  ~ 742 Projects valued at $2,826 million

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To view or print the bid document, click on the bid number below. Any subsequent addenda will also be available via this Web site. If an addendum has been issued, it will be located directly under the bid being modified and will be designated as an addendum. Solicitations for Statewide Term Contracts are in RED, Solicitations for Agency Specific Term Contracts are in GREEN and Solicitations for Recovery Funds are in BLUE. 

It is the bidders responsibility to insure that all addenda have been reviewed and, if need be printed, signed, and returned.

WHO SHOULD BE CONTACTED? If you are having difficulty retrieving a solicitation document, or the document is incomplete, click on the code or number listed in the HELP column to obtain assistance. This will bring up a new screen that will show the person to contact to help you retrieve the document. If, however, you have a question concerning the details of a solicitation, contact the purchaser listed in the solicitation document.

### Construction Services

<table>
<thead>
<tr>
<th>Bid Number</th>
<th>Description</th>
<th>Date Issued</th>
<th>Bid Opening Date</th>
<th>Bid Opening Time</th>
<th>Help</th>
</tr>
</thead>
<tbody>
<tr>
<td>287-41130302PQB</td>
<td>ASU - Trivette Dining Hall Second Floor Renovation &amp; Addition Prequalified bidders only</td>
<td>5/8/2013</td>
<td>6/20/2013</td>
<td>2:00 PM ET</td>
<td>287-</td>
</tr>
<tr>
<td>287-41222305CMR</td>
<td>UNC-CH - Mary Ellen Jones Building Renovation-CM at Risk Soliciting construction services for CM at Risk project</td>
<td>5/15/2013</td>
<td>6/13/2013</td>
<td>5:00 PM ET</td>
<td>287-</td>
</tr>
<tr>
<td>287-41222305CMR-1</td>
<td>Addendum 1 --- Correct web site address for additional informaton</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>287-41126307PQ</td>
<td>UNC-C - Cone Plaza Repairs - Prequalifying Prequalifying licensed contractors for single prime project</td>
<td>5/22/2013</td>
<td>6/12/2013</td>
<td>2:00 PM ET</td>
<td>287-</td>
</tr>
<tr>
<td>213-QSCB-0007</td>
<td>High School Stage Curtain Replacement Mandatory Conf/Site Visit: 05/30/2013 Non-Mandatory Site Visit at 10 AM</td>
<td>5/21/2013</td>
<td>6/7/2013</td>
<td>2:00 PM ET</td>
<td>213-</td>
</tr>
<tr>
<td>287-41227320</td>
<td>UNC-A - Justice Center Addn Roof Replacement</td>
<td>5/15/2013</td>
<td>6/6/2013</td>
<td>3:00 PM ET</td>
<td>287-</td>
</tr>
<tr>
<td>287-41227320-1</td>
<td>Addendum 1 --- Extend bid opening date to 6/6/2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>287-41230309</td>
<td>ASU - NRLP Maintenance Truck Buildings Prequalified bidders only</td>
<td>5/17/2013</td>
<td>6/5/2013</td>
<td>1:00 PM ET</td>
<td>287-</td>
</tr>
<tr>
<td>287-41227320PQB</td>
<td>UNCA - One Stop Offices at Ramsey Library Prequalified bidders only</td>
<td>5/14/2013</td>
<td>6/4/2013</td>
<td>3:00 PM ET</td>
<td>287-</td>
</tr>
<tr>
<td>287-40883301DPQ</td>
<td>ECU - Dental Service Learning Ctr. #6 Davidson Prequalified bidders only</td>
<td>5/3/2013</td>
<td>5/30/2013</td>
<td>4:00 PM ET</td>
<td>287-</td>
</tr>
<tr>
<td>287-40883301SPPQ</td>
<td>ECU - Dental Service Learning Ctr. #5 Spruce Pine Prequalified bidders only</td>
<td>5/3/2013</td>
<td>5/30/2013</td>
<td>2:00 PM ET</td>
<td>287-</td>
</tr>
<tr>
<td>287-41026304BP216</td>
<td></td>
<td>5/3/2013</td>
<td>5/30/2013</td>
<td>2:00 PM ET</td>
<td>287-</td>
</tr>
</tbody>
</table>

[https://www.ips.state.nc.us/IPS/BidList.aspx?x=3%2bl%2fX3b%2bZ6FzR%2f94RG5Xf2m%2bK... 5/22/2013](https://www.ips.state.nc.us/IPS/BidList.aspx?x=3%2bl%2fX3b%2bZ6FzR%2f94RG5Xf2m%2bK... 5/22/2013)
Opportunities to Do Business with the Universities

Designer Solicitations (5)
Approved Design Contracts (0)
Construction Bids (5)
Construction Solicitations to Prequalify Contractors (1)
Construction Bid Solicitations from Prequalified Contractors (9)
Construction Manager-at-Risk Solicitations (1)
Public Meeting Notices under GS 133-3 (0)

Future Solicitation Dates

Edit this Content
BID OPENING PROCEDURES

At the appointed hour for opening bids, declare the bidding closed and ask the following questions:

1. Have all addenda been received?
2. Was anyone denied the right to bid?
3. Are there any objections to proceeding with opening bids?

In the event there is an objection,

1. Attempt to satisfy the objection
2. Obtain complete information regarding the objection and proceed with bid opening under protest (to be resolved later by the proper authority)
3. Postpone the bid opening to allow for the objection to be satisfied, or
4. Rule the objection as informal and proceed with the opening of bids (fully document the objection and the ruling)

All bids shall be read aloud, including the name of bidder, license number, bid security, base bid, alternates, unit prices (if they influence the determination of low bidder or if requested), and any other pertinent information.

Any bid qualifications shall be read and duly noted, such as completion requirements or substitutions.

The designer shall provide a tabulation form for use in recording bids. The form will include space for recording license number, bid security, base bid, and alternates.

Lack of appropriate HUB forms should be considered an informality at the time of bid opening.

DO NOT READ BIDS IF:

1. They are not signed
2. There is no bid bond

5/22/2013
Month Date, Year

Mr. Greg Driver
State Construction Office
1307 Mail Service Center
Raleigh, NC 27699-1307
STATE COURIER: 56-02-01

Subject:  
*(Official Project Title)*
*(SCO ID*)

<table>
<thead>
<tr>
<th>Code</th>
<th>Item</th>
<th>Funds Authorized for Project</th>
<th>Source of Funds</th>
<th>General Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>4XXX</td>
<td>3XY</td>
<td>$Amount</td>
<td>Type of funding</td>
<td>Y or N</td>
</tr>
</tbody>
</table>

(list and total if more than one)

Dear Mr. Driver:

*(Agency)* received bids for the subject project on *(date)*. A certified bid tabulation is attached. The bids as received are within the funds authorized for the subject project and support contract award recommended as follows:

**General Contract**
Contractor Name
City, State

Base Bid $          
Alternate *(list alternates and amounts)* $          
Total Construction Contract $          

**Projects to Date**
Current General Contract Award $(repeat total from above)
Previous Contracts
Design Contract $          
Programming Contract $          
PreConstruction Costs $          
*(list any previous contracts and dollar amounts such as programming or previous project construction phases, expanding this section as needed)*

Total Project Cost $(sum this section) $(same sum at left)

**Identified Anticipated Cost**
Construction Testing $          
Associated Construction Costs $          
Special Inspections/Materials $          
Commissioning $          
Furnishings and Equipment $          
*(list any known additional items/delete any of the examples not applicable, adjusting this section as needed)*

Total Identified Anticipated Cost $(sum section) $(sum above w/amt at left)

Award Letter $500,000 to $2M 8-2012
(Sample request to award a construction contract for formal projects)

Mr. Greg Driver

Date

Page 2

**Reserve for Planned Expenses** *(Prior OSBM approval required for release if there are general funds involved)*

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Furnishings and Equipment</td>
<td>$</td>
</tr>
<tr>
<td>Reserve for Future Phases</td>
<td>$</td>
</tr>
<tr>
<td><strong>Total Reserve</strong></td>
<td>$(sum section)</td>
</tr>
<tr>
<td></td>
<td>$ (sum above w/ amt at left)</td>
</tr>
</tbody>
</table>

**Contingency** *(3% new & 5% renovation)*

$ ______________

**Total Project Authorization**

$ (sum from above plus reserve at left)

This amt should equal total authorized budgets from code item(s) listed at the beginning of the letter.

Sincerely,

Name
Title

Attachments: Bid Tabulation
Designer’s Recommendation for Award
Low Bid Contractor Proposal
MBE Documentation

cc: Terry Feravich (with attachments)

*List as appropriate to your institution*

Project manager
Budget representative
HUB Coordinator

Award Letter $500,000 to $2M 8-2012

151
(Award letter for projects between $500,000 and $2,000,000)

Month Date, Year

Mr. Terry Ferovich  
Associate Vice President-Finance  
UNC-General Administration  
P.O. Box 2688  
Chapel Hill, NC  27515-2688

<table>
<thead>
<tr>
<th>Subject:</th>
<th>Official Project Title</th>
<th>(Sub-project title if needed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
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<td>Funds Authorized for Project</td>
</tr>
<tr>
<td>4XXXX</td>
<td>3XX</td>
<td>$ Amount</td>
</tr>
<tr>
<td>(list and total if more than one)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Dear Mr. Ferovich:

Name (University) received bids for the subject project on (date). A certified bid tabulation is attached. The bids as received are within the funds authorized for the subject project and support contract award recommended as follows:

**General Contract (Single-prime or repeat format for each trade if multi-prime)**

Contractor Name
City, State

Base Bid $  
Alternate (list alternates and amounts) $  
Total Construction Contract  $

**Projects to Date**

Current General Contract Award $(repeat total from above)

Previous Contracts  
Design Contract $  
Programming Contract $  
(list any previous contracts and dollar amounts such as programming or previous project construction phases, expanding this section as needed)

Total Project Cost $(sum this section) $(same sum at left)

**Identified Anticipated Cost**

Construction Testing $  
Special Inspections $  
Commissioning $  
Furnishings and Equipment $  
(list any known additional items/delete any of the examples not applicable, adjusting this section as needed)

$ (sum section)  $ (sum above w/amt at left)

152

Award Letter $500,000 to $2M (Version 5-2013)
Mr. Terry Feravich
Date
Page 2

**Reserve for Planned Expenses**
Reserve for Future Phases $500,000
Construction Contingency (3% new/5% renovation) $100,000

Total Project Authorization $600,000

$(sum from above plus reserve and contingency at left)
This amt should equal total authorized budgets from code/item(s) listed at the beginning of the letter.

Sincerely,

Name
Title

Attachments: Bid Tabulation
Designer’s Recommendation for Award
Low Bid Contractor Proposal
MBE Documentation
UNC HUB Certification

cc: List as appropriate to your institution
Project manager
Budget representative
HUB Coordinator

153

"Award Letter $500,000 to $2M (Version 5-2013)"
UNC HUB Certification
(Form to be Submitted by Institution with Award Request Letter)

Institution

Project Name

Minority Participation – Total and by Category (%)__

Minority categories: Black/African-American (B), Hispanic (H), Asian-American (A),
American Indian (I), Caucasian Female (F), Socially and Economically Disadvantaged (D),
Total (T)

Please check the boxes that apply and provide a copy of the affidavit(s).

☐ Affidavit A  The apparent low bidder has provided Affidavit A (Listing of the Good Faith Effort).

☐ Affidavit B  The apparent low bidder has provided Affidavit B (Intent to Perform Contract with Own Workforce). Documentation of effort to utilize minority business suppliers must be provided with Affidavit B.

☐ Affidavit C  The apparent low bidder has provided Affidavit C (Portion of the Work to be Performed by Minority Firms).

☐ Affidavit D  The apparent low bidder has provided Affidavit D (Good Faith Efforts). Documentation of Good Faith Effort must be provided with Affidavit D.

Please check the appropriate boxes and complete the portion that applies:

☐ The apparent low bidder has indicated that he/she has performed ______ out of the 10 “Good Faith Efforts” and has provided supporting documentation.

☐ I have reviewed the documentation and concur that sufficient effort has been expended to award the contract.

☐ The Institution has notified minority businesses that have requested notices from the public entity in accordance with G.S. 143-128.2

Comments:

Documentation provided by the contractor supporting his/her “Good Faith Effort” must be submitted with the award request letter.

Date:__________  Signature:________________________________________

Name (Printed):________________________________________________

Title:_________________________________________________________
(Sample request to award a construction contract for formal projects)

Month Date, Year

Mr. Greg Driver  
State Construction Office  
1307 Mail Service Center  
Raleigh, NC 27699-1307  
STATE COURIER: 56-02-01

Subject:  

<table>
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<tr>
<td>4XXXA3XX</td>
<td>S Amount</td>
<td></td>
<td>Type of funding</td>
<td>Y or N</td>
</tr>
</tbody>
</table>

(list and total if more than one)

Dear Mr. Driver:

(Agency) received bids for the subject project on (date). A certified bid tabulation is attached. The bids as received are within the funds authorized for the subject project and support contract award recommended as follows:

**General Management Contract**  
Contractor Name
City, State
Cost of the Work $  
CM Fee and General Conditions $  
Bond and Insurance $  
CM Construction Contingency $  
Total Construction Contract $  

**Projects to Date**  
Current Construction Management Award $(repeat total from above)

Previous Contracts
Design Contract $  
CM Pre-Construction Fee $  
Programming Contract $  
Early Site Package $  
(list any previous contracts and dollar amounts such as programming or previous project construction phases, expanding this section as needed)

Total Project Cost $ (sum this section) $(same sum at left)

**Identified Anticipated Cost**
Additional GMP Phases $  
Special Inspections/Materials $  
Commissioning $  
Furnishings and Equipment $  
(list any known additional items/delete any of the examples not applicable, adjusting this section as needed)

Total Identified Anticipated Cost $(sum section) $(sum above w/amt at left)

Award Letter CMR 8-2012
(Sample request to award a construction contract for formal projects)

Mr. Greg Driver
Date
Page 2

**Reserve for Planned Expenses** *(Prior OSBM approval required for release if there are general funds involved)*

Reserve for Future Phases $ __________________

Total Reserve $ (sum section) $ (sum above w/ amt at left)

**Contingency** *(3% new & 5% renovation)*

$ ____________

**Total Project Authorization** $ (sum from above plus reserve at left) This amt should equal total authorized budgets from code item(s) listed at the beginning of the letter.

Sincerely,

Name
Title

Attachments:  Bid Tabulation
Designer’s Recommendation for Award
Low Bid Contractor Proposal
MBE Documentation

cc: Terry Feravich (with attachments)
List as appropriate to your institution
Project manager
Budget representative
HUB Coordinator

Award Letter CMR 8-2012
State of North Carolina
Prequalification for Single Prime Contractors

Failure to answer all of the following questions may result in disqualification. If general contractor has any questions, contact the person listed below under “Submitted to.” Completing this questionnaire does not guarantee prequalification. The State agency/institution reserves the unqualified right to reject any or all proposals and to waive informalities. The State agency/institution has developed a plan to meet or exceed goals set by GS 143-128 for the participation of minority businesses in public construction contracts. Contractors are expected to be familiar with these initiatives and to comply with program requirements.

Explanation of Pre-Qualification Selections:
Should a contractor want an explanation of their submittal’s non-prequalified status on an individual project, they should contact the owner in writing (email is sufficient) for an explanation within 3 business days of notification of the prequalified contractor’s list.

PREQUALIFICATION DUE DATE/TIME: ___________________________ ___________________________
(date) (time)

Submitted to: _____________________________________________
Contact Name receiving prequalifying packages
Agency/Institution
Address
Address
City/State Zip Code + 4
Phone number Fax Number
E-mail address

Project:
Name of Project
Project Owner
Project Architect

Project Description:
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

Prequalification_Form_03-01-11 1 of 12
State of North Carolina  
Prequalification for Single Prime Contractors

Section 1. MINIMUM REQUIREMENTS

1. a. General Company information (Primary/Main office location)

Company Name

Physical Address

Mailing Address

City/State  Zip Code + 4

(_____) ____________________________  (_____) ____________________________
Phone number  Fax number

Primary Contact Name

Primary Contact Email Address

Secondary Contact Name

Secondary Contact Email Address

Organization

1. b. Business type (check box) □ Corporation □ Partnership □ Limited Liability Company □ Sole Proprietor □ Joint Venture

1. c. Type of Work (check box) □ General Construction □ Electrical □ Mechanical □ Plumbing □ Other (please specify)

1. d. Licensing information (Please provide all North Carolina professional licenses required for you to perform your services.)

NC License Type (check box) □ General Construction □ Electrical □ Mechanical □ Plumbing □ Other (please specify)

NC License number

License Limit/Level

State/County/City Privilege License (provide copy)

Bonding

1. e. (1) Attach letter, dated within the last 30 days, from your surety company, signed by their Attorney in Fact, verifying their willingness to issue sufficient payment and performance bonds for this project, on behalf of your firm or its agent licensed to do business in North Carolina, and verifying your company’s capability and capacity based on your current value of work. Surety company bond rating shall be rated “A” or better under the A.M. Best Rating system or The Federal Treasury List.

Have you attached a surety letter? □ Yes □ No

Prequalification_Form_03-01-11  2 of 12
State of North Carolina
Prequalification for Single Prime Contractors

1. e. (2) Have any funds been expended by a surety company on your firm’s behalf? □ Yes □ No If yes, explain:

1. e. (3) List all surety companies that have provided bonds for your company for the past five (5) years, provide explanation, required, if more than one company.

<table>
<thead>
<tr>
<th>Date</th>
<th>Firm</th>
<th>Reason</th>
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</table>

Litigation/Claims

1. f. (1) Has your company been involved in any suits or arbitration proceedings within the last five years? □ No □ Yes If yes, please explain:

1. f. (2) Are there currently any judgments, claims, arbitration proceedings or suits involving Owners pending or outstanding against your company, its officers, owners, or agents? □ No □ Yes If yes, please explain:

Insurance

1. g.
In order to prequalify, firms must indicate that they can provide evidence of insurance coverage as follows, should they subsequently be the successful bidder. Have you attached a copy of your insurance certificate? □ Yes □ No

- Worker’s Compensation insurance as required by law and Employer’s Liability Insurance coverage with minimum limits of $100,000.
- General liability insurance with minimum limits of $500,000 per occurrence for bodily injury and $100,000 per occurrence/$300,000 aggregate for property damage.
- Builder’s risk at the full insurable value of the entire work site.

Size/Capacity

1. h. (1) How many full-time permanent employees work for the company?

1. h. (2) If the company has more than one office location, how many full-time permanent employees work for the company at the location which will serve this project?

1. h. (3) List the annual dollar value of construction work the company has performed for each year over the last 5 calendar years (if applicable).
State of North Carolina
Prequalification for Single Prime Contractors

1 _____(yr)  2 _____(yr)  3 _____(yr)  4 _____(yr)  5 _____(yr)

Section 2. GENERAL REQUIREMENTS

Experience

2. a. (1) Number of years in business as a contractor under the company name listed in 1.a., above: ________ years.
List any other names your firm operated under previously.

<p>| | | | | |</p>
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</table>

2. a. (2) List date, State and type of incorporation, partnership, or proprietorship establishment:

__________________________  _______________________
Date  State/Type (incorporation, partnership/proprietorship)

2. a. (3) List names of the firm principals appropriate to the type of the firm:

Corporation: President, Vice-president, Secretary, Treasurer
Partnership: Partners
Proprietorship: Owner
Other: List and explain

<table>
<thead>
<tr>
<th>Title</th>
<th>Full Name</th>
<th>Yrs Service</th>
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</table>

2. a. (4) Has your company ever performed construction work for the State of North Carolina and/or related public agencies and/or this specific agency/institution?  ☐ Yes ☐ No
If yes, list the name of the agency, project, dollar value, owner and architect names and contact phone numbers, scheduled completion and actual completion dates for all projects completed within the last five to ten (5-10) years.

<table>
<thead>
<tr>
<th>State/Public Agency</th>
<th>Project Name</th>
<th>Dollar Value</th>
<th>Owner Agency Contact Info</th>
<th>Architect Contact Info</th>
<th>Scheduled-Actual Completion Date</th>
</tr>
</thead>
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Prequalification_Form_03-01-11  4 of 12
State of North Carolina  
Prequalification for Single Prime Contractors

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</tbody>
</table>

2. a. (5) Has your organization been pre-qualified to bid on a State agency/institution project and failed to submit a bid without notice of good cause a minimum of one day before bid date? □ Yes □ No If yes, on a separate sheet list name of project and reason you did not submit a bid.

Office Locations

2. b. Will this project be managed and directed from an office in NC? An office in NC is defined as “The principal place from which the trade or business of the bidder is directed or managed,” per GS 143-59 (c). □ Yes □ No

Workload

2. c. (1) How many projects do you currently have under contract or in progress and what is their total dollar value?
   - __________________________(# of projects)
   - $__________________________ (Current projects contract amount)
   - $__________________________ (Projects current amount remaining to bill)

2. c. (2) List the three biggest contracts currently under contract or in progress, including for each, the name of the project, owner and architect names and phone numbers, contract dollar values, percentage complete and currently anticipated completion dates.

<table>
<thead>
<tr>
<th>#1 - Project Name</th>
<th>Description of Work Performed</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owner Name/ Representative</td>
</tr>
<tr>
<td></td>
<td>Owner Address/Phone #/Email</td>
</tr>
<tr>
<td></td>
<td>Architect Name/Representative</td>
</tr>
<tr>
<td></td>
<td>Architect Address/Phone #/Email</td>
</tr>
</tbody>
</table>

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State of North Carolina
Prequalification for Single Prime Contractors

<table>
<thead>
<tr>
<th>Contract Dollar Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage Complete</td>
</tr>
<tr>
<td>Current Anticipated Completion Date</td>
</tr>
</tbody>
</table>

#2 – Project Name

<table>
<thead>
<tr>
<th>Description of Work Performed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Owner Name/ Representative</td>
</tr>
<tr>
<td>Owner Address/Phone #</td>
</tr>
<tr>
<td>Architect Name/Representative</td>
</tr>
<tr>
<td>Architect Address/Phone #/Email</td>
</tr>
<tr>
<td>Contract Dollar Value</td>
</tr>
<tr>
<td>Percentage Complete</td>
</tr>
<tr>
<td>Current Anticipated Completion Date</td>
</tr>
</tbody>
</table>

#3 – Project Name

<table>
<thead>
<tr>
<th>Description of Work Performed</th>
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</thead>
<tbody>
<tr>
<td>Owner Name/ Representative</td>
</tr>
<tr>
<td>Owner Address/Phone #</td>
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<tr>
<td>Architect Name/Representative</td>
</tr>
<tr>
<td>Architect Address/Phone #/Email</td>
</tr>
<tr>
<td>Contract Dollar Value</td>
</tr>
<tr>
<td>Percentage Complete</td>
</tr>
<tr>
<td>Current Anticipated Completion Date</td>
</tr>
</tbody>
</table>

Quality Control/Administration

2. d. (1) Describe quality control procedures, including contractor inspection and approval processes. List the most recent project where these procedures were used, and provide owner and architect contact names and telephone numbers.

<table>
<thead>
<tr>
<th>Quality Control Procedures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Name</td>
</tr>
<tr>
<td>Owner Name/ Representative</td>
</tr>
</tbody>
</table>

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State of North Carolina
Prequalification for Single Prime Contractors

2. d. (2) Describe management plans for processing Requests for Information (RFI’s), shop drawings, submittals, value engineering, change orders, proposals, and requests for deviations. Identify key personnel assigned to these or other special issues. Describe your approach to dispute and claims resolution.

<table>
<thead>
<tr>
<th>Management Plan Process</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of Key Personnel</td>
<td></td>
</tr>
<tr>
<td>Requests for Information (RFI’s)</td>
<td></td>
</tr>
<tr>
<td>Shop Drawings</td>
<td></td>
</tr>
<tr>
<td>Submittals</td>
<td></td>
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<tr>
<td>Value Engineering</td>
<td></td>
</tr>
<tr>
<td>Change Orders</td>
<td></td>
</tr>
<tr>
<td>Proposals</td>
<td></td>
</tr>
<tr>
<td>Requests for Deviations</td>
<td></td>
</tr>
<tr>
<td>Dispute and Claim Resolution Approach</td>
<td></td>
</tr>
<tr>
<td>Other Special Issues</td>
<td></td>
</tr>
</tbody>
</table>

Financials

2. e. Attach latest balance sheet and income statement if available, based on company type. Audited statements preferred. If not available, attach a copy of the latest annual renewal submission to the relevant licensing board. (Firm must submit financial data and may clearly indicate a request for confidentiality to avoid this item becoming part of a public record.) Have you attached a balance sheet? □ Yes □ No

List any lines of credit, including the identification of the financial institution holding the credit line, contact name and phone number at the institution, current total line of credit, current balance available, and effective date of the stated balances (must be within the last 30 days). Have you attached a line of credit statement? □ Yes □ No

Note: As provided by statute, the agency/institution will consider keeping trade secrets which the bidder does not wish disclosed confidential. Each page shall be identified in boldface at the top and bottom as "CONFIDENTIAL" by the bidder. Cost information shall not be deemed confidential. In spite of what is labeled as a trade secret, the determination whether it is or not will be determined by North Carolina law.
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Litigation/Claims

2. f. (1) Has your company ever failed to complete work awarded to it? □ Yes □ No
If yes, please provide project name(s), contact information for owner and architect, year(s), and reason why. Attach relevant documentation.

2. f. (2) Have you ever paid liquidated damages on any project? □ Yes □ No If yes, state the project name(s), year(s), and reason why.

2. f. (3) Has your company filed any claims with the North Carolina State Construction Office within the last five years? □ Yes □ No If yes, state the project name(s), year(s), case number, and reason why.

2. f. (4) Has your present company, its officers, owners, or agents ever been convicted of charges relating to conflicts of interest, bribery, or bid-rigging? □ Yes □ No If yes, state the project name(s), year(s), and reason why.

2. f. (5) Has your present company, its officers, owners, or agents ever been barred from bidding public work in North Carolina? □ Yes □ No If yes, state the project name(s), year(s), case number and reason why.

Safety Record

2. g. List your company’s Experience Modification Rate (EMR) for past three years. (Attach OSHA 300 Log for the last 3 years.) Have you attached OSHA 300 log? □ Yes □ No

Present Rate: ___________________________ Last Rate: ___________________________ Year before rate: ___________________________
If these rates reflect corporate performance over a number of locations, please explain, to the extent possible, the performance experience of the location serving this project: ___________________________
List any OSHA fines and job site fatalities in the past 3 years with an explanation: ___________________________

Historically Underutilized Business (HUB) Plan

2. h. (1) Does the company currently have a documented plan for engaging subcontractor participation from Historically Underutilized Businesses? □ Yes □ No If yes, please attach your company’s HUB Plan.

2. h. (2) What has been your company’s typical percentage level of Historically Underutilized Business participation for similar projects in North Carolina for the past 5 years? ____________ %
State of North Carolina  
Prequalification for Single Prime Contractors

List the HUB participation you provided in the three “similar” projects cited in Section 3.a., below, including name, percentage achieved and owner representative’s name and telephone number.

<table>
<thead>
<tr>
<th>Project Name</th>
<th>HUB %</th>
<th>Owner’s Rep</th>
<th>Contact Phone #</th>
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</table>

Section 3. PROJECT SPECIFIC REQUIREMENTS

Project-Specific References

3. a. Please identify three projects most closely reflecting the size and complexity of the type of work being requested for the currently proposed project. The similar projects should have been completed within the last ten (10) years, at least one of which within the last five (5) years. Include:

<table>
<thead>
<tr>
<th>#1 – Similar - Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project description and its similarity to proposed project</td>
</tr>
<tr>
<td>Role and Responsibility</td>
</tr>
<tr>
<td>Delivery Method</td>
</tr>
<tr>
<td>Owner Name/ Representative</td>
</tr>
<tr>
<td>Owner Address/Phone #</td>
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<td>Architect Name/Representative</td>
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<td>Architect Address/Phone #/Email</td>
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<td>Contract Dollar Value</td>
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<tr>
<td>Final Contract Dollar Value</td>
</tr>
<tr>
<td>Scheduled Completion Date</td>
</tr>
<tr>
<td>Actual Completion Date</td>
</tr>
<tr>
<td>Performance Rating or Letter of Commendation</td>
</tr>
</tbody>
</table>

Sub-Contractor Relations – References from similar relevant projects

#1 – Sub-Contractor Reference
#2 – Sub-Contractor Reference

#3 – Sub-Contractor Reference

<table>
<thead>
<tr>
<th>#2 – Similar - Project Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project description and its’ Similarity to proposed project</td>
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Sub-Contractor Relations – References from similar relevant projects

#1 – Sub-Contractor Reference

#2 – Sub-Contractor Reference

#3 – Sub-Contractor Reference

<table>
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<td>Project description and its’ Similarity to proposed project</td>
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<td>Role and Responsibility</td>
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State of North Carolina
Prequalification for Single Prime Contractors

<table>
<thead>
<tr>
<th>Contract Dollar Value</th>
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<tbody>
<tr>
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<td></td>
</tr>
<tr>
<td><strong>Sub-Contractor Relations – References from similar relevant projects</strong></td>
<td></td>
</tr>
<tr>
<td>#1 – Sub-Contractor Reference</td>
<td></td>
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<tr>
<td>#2 – Sub-Contractor Reference</td>
<td></td>
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<tr>
<td>#3 – Sub-Contractor Reference</td>
<td></td>
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</tbody>
</table>

[General project references were requested in section 2. a. (4), based on a “Yes” response, and 2. c. (2). If this comparable project information is already reflected in those responses, please simply identify the relevant projects and detailed information.]

**Staffing and Organizational Structure**

3. b. (1) **Staff Qualifications** - Provide organizational structure reflecting authority, responsibility and proportion of time dedicated to this project and job descriptions for all key positions. Provide evidence that the key personnel have worked together successfully as a team.

3. b. (2) **Project-specific Staff Experience** - Project-specific employment history is requested for key personnel for similar projects performed within the last five years. As attachments, include qualifications (resumes) of the project team key personnel to be assigned to this project. For each resume, include name, length of time employed with your company, proposed position, education and training, professional registrations/licenses, and affiliations, company and project-specific employment history.

Information should include project size and description, time and budget performance, position held, authority and responsibilities, contributions made to project success, and include owner/architect contacts with phone numbers.

3. b. (3) **Staff Availability** - Are key personnel also proposed on any other projects for which bidding and contracting is pending? □ Yes □ No If yes, describe general availability and qualifications of potential substitutes.

**Other Unique Information**

3. c. [This section reflects any further project-specific or unique project requirements, such as clean room, hospital/medical, prison, LEED certification, construction recycling, schedule constraints, etc. DO NOT REPEAT ABOVE QUESTIONS. Expand line items and distribute points consistent with any additions.]
State of North Carolina
Prequalification for Single Prime Contractors

4. Signature

By signing this document, you are acknowledging that all answers are true to the best of your knowledge. Submitted by:

__________________________________________________________________________
Company Name (as licensed in NC)

__________________________________________________________________________
Physical Address

__________________________________________________________________________
Mailing Address

a. Dated this day of: ________________________________

Submitted by: ______________________________________________________________________
Signature by Authorized Officer

Phone: ____________________________________________________________________________
Contact person’s phone number

Email: ____________________________________________________________________________
Contact person’s E-mail address

Print Title of Authorized Officer

b. Notary Certification:
North Carolina
___________ County

I, a Notary Public of the County and State aforesaid, certify that ________________________, personally appeared before me this day and acknowledged the execution of the foregoing instrument. Witness my hand and official seal, this the __________ day of ______________________, 20__.

______________________________________________
Signature of Notary Public

My commission expires ______________________, 20___
State of North Carolina - Prequalification Ratings Matrix for Single Prime Contractors

Project Name: ________________________________

SCO ID #: ________________________________

Contractor Name: ________________________________

Date of Evaluation: ________________________________

<table>
<thead>
<tr>
<th>1. Minimum</th>
<th>1.1.</th>
<th>1.2.</th>
<th>1.3.</th>
<th>1.4.</th>
<th>1.5.</th>
<th>1.6.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.b. Type of Company</td>
<td>contractor</td>
<td>contractor</td>
<td>contractor</td>
<td>contractor</td>
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<tr>
<td>1.c. Type of Work</td>
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<tr>
<td>1.d. NC License Type</td>
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<tr>
<td>1.e. NC License #</td>
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<tr>
<td>1.e.(1) Bonding Letter</td>
<td>contractor</td>
<td>contractor</td>
<td>contractor</td>
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<tr>
<td>1.e.(2) Funds Expended by Surety?</td>
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<td>contractor</td>
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<tr>
<td>1.e.(3) List Surety Companies in past 5 yrs</td>
<td>contractor</td>
<td>contractor</td>
<td>contractor</td>
<td>contractor</td>
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<tr>
<td>1.f.(1) Lawsuits or Arbitrations?</td>
<td>contractor</td>
<td>contractor</td>
<td>contractor</td>
<td>contractor</td>
<td>contractor</td>
<td>contractor</td>
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<tr>
<td>1.f.(2) Judgements, Claims, Arbitrations, Lawsuits?</td>
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<td>contractor</td>
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<tr>
<td>1.g. Evidence of Insurance</td>
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<tr>
<td>1.h. Size/Capacity: Questions 1, 2 &amp; 3</td>
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<td>contractor</td>
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</tbody>
</table>

| 4. Signature (See end of form) | contractor | contractor | contractor | contractor | contractor | contractor |
| 4.a. Signed/Dated | contractor | contractor | contractor | contractor | contractor | contractor |
| 4.b Notary Certification | contractor | contractor | contractor | contractor | contractor | contractor |

(Must meet minimum requirements to proceed to Section II.)

<table>
<thead>
<tr>
<th>2. General Requirements</th>
<th>2.a.(1) 5 yrs under current name 0-5 yrs 2 yrs (5) or 0-5 yrs (2)</th>
<th>2.a.(4) Previous work for State of NC (range 0-5)</th>
<th>2.a.(5) Prequalified and failed to submit bid w/o notice of good cause (No=2, Yes, w/good cause=2, Yes, w/o cause=0)</th>
<th>2.b. NC Office Management (0 or 5)</th>
<th>2.e.1-2 Workload (0 or 1)</th>
<th>2.d.(1) QC Admin processes (0 or 5)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.a.(1)</td>
<td>contractor</td>
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<td>2.b.</td>
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</table>
State of North Carolina - Prequalification Ratings Matrix for Single Prime Contractors

Project Name: ____________________________

SCO ID #: ________________________________

Contractor Name: __________________________

<table>
<thead>
<tr>
<th>Date of Evaluation</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
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<td>2.f.(2)</td>
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<td>2.g.</td>
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<td>2.h.(2)</td>
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</tr>
</tbody>
</table>

| Subtotal           | 50| 50| 0 | 0 | 0 | 0 |

(Must have 40 to proceed to Section III.)

3. Project Specific Requirements

| 3.a.               |   |   |   |   |   |   |
| 3.b.(1)            |   |   |   |   |   |   |
| 3.b.(2)            |   |   |   |   |   |   |
| 3.b.(3)            |   |   |   |   |   |   |

| Specific or Unique Requirements (expand line items and distribute points consistent with any additions to the prequal form. If no specific or unique requirements required, award 15 points.) | 15 |

| Subtotal           | 50| 50| 0 | 0 | 0 | 0 |

TOTAL POINTS

100 0 0 0 0 0 0

All scores 80 and above will be prequalified.
CONSTRUCTION MANAGEMENT AT RISK

The 2001 session of the State Legislature authorized the use of Construction Management at Risk (CM at Risk) as an acceptable construction delivery method for public projects. The following is an outline of the procedures used when this construction delivery method is selected.

Selection of CM at Risk as the Construction Delivery Method

CM at Risk is generally selected for larger, more complex projects above $10 million; however, more recent experience has demonstrated advantages of this delivery system for projects as small as $2 million. Complex construction, critical schedules and/or sensitive renovations may benefit from CM at Risk. There is much to be said for involving the construction profession in the design process in reviewing constructability issues, providing cost estimates and developing realistic construction schedules, but the main advantage is the opportunity to select the contractor with a qualification based process rather than by low bid. The decision to select the desired construction delivery method rests with the Campus.

Selection of a Construction Manager

The procedure for selecting a construction manager (as approved by the State Building Commission) is posted on the UNC General Administration web site. This process involves advertising for the service; receiving and reviewing proposals (which should be in the form of the Request for Proposals (RFP) found on the UNC General Administration web site); short listing and interviewing selected firms; and making a final selection. This selection process parallels the designer selection process with final selection made by the Campus Board of Trustees.

A Construction Manager may be selected and put to work at any time during the project design; however, the most benefit to the project will be received with early selection. As major design decisions are made past completion of the schematic design phase the value of input from the Construction Manager will be diminished.

Once the final selection of a Construction Manager is made, the State Construction Office (SCO) is notified and requested to negotiate and prepare a Pre-Construction Phase Services contract for execution by the Construction Manager and the Campus.

CM at Risk Contracts

During the progress of the project the Construction Manager & Campus will execute two separate contracts. The State Construction Office is the awarding authority for each of these contracts. The first contract will cover Pre-construction Phase Services as outlined in Section II, paragraph G of the RFP. These services will conclude with the preparation (by the CM at Risk) and acceptance (by the campus & SCO) of the Guaranteed Maximum Price (GMP) for delivery of the project. This GMP will be presented as either a pre-bid GMP (Final GMP) or post-bid GMP (Preliminary GMP). As suggested by the titles, a preliminary GMP is subject to adjustment after the bids are received while the final GMP is a fixed price.
The second contract will incorporate the GMP and cover the Construction Phase Services outlined in Section II, paragraph H of the RFP. When the GMP is finalized, a letter requesting award will be sent to the State Construction Office. This letter should be formatted as shown in the sample award letter request. The letter should clearly state if the GMP is a Final GMP or Preliminary GMP. The State Construction Office will then issue an award letter authorizing the Project Designer (or Campus) to prepare the contract documents for execution. **(Make sure that the Construction Phase Services (GMP) contract is executed and approved by the State Construction Office and Office of the Attorney General prior to the advertisement and receipt of first tier sub-contract bids!)**

**Principal Trade & Specialty Contracts (First tier Sub-contracts)**

Each CM at Risk project will have a minimum of five first tier sub-contracts: General Construction, Plumbing, Mechanical, Fire Protection and Electrical. More often there will be many more first tier sub-contracts as the CM at Risk will create contract packages to fit the local market. The CM at Risk must also comply with provision of GS 143-128 with regard to opportunities for minority owned contractor participation.

Once the first tier sub-contract packages are identified, the CM at Risk will proceed to prequalify bidders for these packages. The desire to prequalify will be publicly advertised in the same manner as construction bids. All firms expressing an interest in the project should be asked to submit their qualifications on the standard prequalification form approved by the State Building Commission as prepared by the CM at Risk for the specific project in question. **(Do not instruct potential bidders to use the prequalification form directly downloaded from the State Construction Office web site as that form will not be prepared for the specific project in question!)** A minimum of three prospective bidders must be prequalified for each package, but better practice is to prequalify at least five or six.

**Advertising & Receipt of Bids by the CM at Risk**

The Campus shall require the CM at Risk to submit its plan for compliance with G.S 143-128.2 for approval prior to soliciting bids.

The CM at Risk acts as the fiduciary of the Campus in the handling and opening of first-tier subcontract bids. Bids will be advertised, received and opened in the same manner as bids for any state owned project. The bid opening will be conducted in a public venue and all bids opened in public. A minimum of three bids is required for each first tier subcontract package at the initial bid opening.

There are no state imposed bonding requirements. Bonding is at the discretion of the CM at Risk, but request that bonding threshold be set as high as possible. The campus should request that the CM at Risk not require a bid bond.

The CM at Risk will analyze bids to verify scope, then award contracts to the lowest responsible, responsive bidder. The Campus will issue a Notice to Proceed to the CM at Risk to begin construction work on the project.
Self-Performance or work by a CM at Risk

A CM at Risk may perform a portion of the work only if (i) bidding produces no responsible, responsive bidder for that portion of the work, the lowest responsible, responsive bidder will not execute a contract for the bid portion of the work, or the subcontractor defaults and a prequalified replacement cannot be obtained in a timely manner, and (ii) the Campus approves of the CM at Risk performance of the work.

Procedures During Construction

The procedures for the CM at Risk during construction are similar to those for any contracting method except in two instances: 1) the CM at Risk will assume the responsibility from the Designer for scheduling and recording minutes of the monthly meetings, and 2) handling changes in the work the cost for which is within of the Guaranteed Maximum Price. Changes in the work that are funded by the CM Contingency or Project Reserve that is part of the GMP contract must be documented in the same manner as a Change Order and authorized in writing by the Project Designer and Campus as a Field Change.

Project Closeout

Procedures for project closeout for a CM at Risk contract are essentially the same as for other contracting methods. The primary difference is the need to adjust the GMP to reflect the actual dollars spent on the construction remembering that any funds remaining in the CM Contingency and/or Project Reserve revert to the Campus at the completion of the project.
BIDDING AND AWARD FOR
CM AT RISK FIRST TIER CONTRACTS

As a portion of the Construction Management Fee

Option 1 - Work packages under $30,000 - Negotiate a price with a selected subcontractor
Option 2 - Work packages under $500,000 - Solicit informal bids from pre-selected subcontractors
  - No formal advertisement but hold open for ten calendar days
  - No state imposed bonding requirements
  - Informal bid opening (receipt of three bids not required to open but suggest at least three bids be solicited)
  - CM reviews bids & awards to the lowest responsible, responsive bidder
Option 3 - Work packages over $500,000 - treat same as those packages bid under The Cost of The Work

As a portion of The Cost of the Work

Subcontractors must be prequalified using the form and instructions approved by the State Building Commission (Forms from the State Construction web site should be modified by the CM for the specific project)

Use the UNC General Administration web site to solicit interest in addition to ad in a newspaper with statewide circulation

CM will review prequalification applications and select those firms qualified to bid with input from the campus

Formal advertisement in newspaper and on UNC web site. Advertise for a minimum of 21 calendar days (a minimum of 7 days required for rebid)

No state imposed bonding requirements

Bids to be opened in a public venue

Formal bid opening - announce bidding closed, ask three standard questions. Minimum of three bids required to open on the initial bid opening attempt

CM reviews bids and awards to the lowest responsible, responsive bidder.

CM reports award results to the owner.

GR62 (6/2011)
Documents :: Bidding & Contract :: CMR Forms

CMR Contract Checklist

Advertisement

RFP Data Sheet

Prequalification for First – Tier Subcontractors under CM at Risk

Qualifications Questionnaire

Section I Proposals, Evaluation, Selection and Award

Section II General Provisions

Section III The General Conditions of the Contract, Form OC-15/CML

Appendix A. Form of Contract - Pre-Construction Services

Appendix B. Form of Contract - Preliminary Guaranteed Maximum Price

Appendix C. Form of Contract - Fixed Guaranteed Maximum Price

Appendix D. Performance & Payment Bond Forms

Appendix E. Preliminary Design Information Packet

Appendix F. HUB Plan

Appendix G. RFP Affidavits

Appendix H. Rules Implementing Mediated Settlement

go back
Energy Performance Contract Flow Chart

1. Respond to all RFIs by adding Annex to RFP
   - 2 weeks

2. Public Bid Opening of Proposals

3. Evaluate Proposals
   - 2 weeks

4. Shortlist ESCO for Interview
   - 2 weeks

5. Conduct ESCO Interviews
   - 2 weeks

6. Select ESCO
   - Fully document selection criteria and process
   - 2 weeks

7. Selection Review by appropriate University officials

8. Approval by Board of Trustees

9. Notify selected ESCO

10. Negotiate Investment Grade Audit (IGA) Scope and Fee
    - 4 weeks

11. Execute IGA Agreement

12. ESCO conducts IGA
    - 4-16 weeks


14. Solicit Statement of Qualifications for M&V
    - 2 weeks

15. Receive/Open SOQ

16. Evaluate SOQs
    - 2 weeks

17. Shortlist M&V Reps for Interview
    - 2 weeks

18. Conduct Interviews
    - 2 weeks

19. Selected firm submits fee proposal
    - 2 weeks

20. Negotiate IGA Phase Contract
    - 2 weeks

21. Notify selected ESCO

22. Negotiate Investment Grade Audit (IGA) Scope and Fee
    - 4 weeks

23. Execute IGA Agreement

24. ESCO conducts IGA
    - 4-16 weeks

25. Public Bid Opening of Proposals

26. Evaluate Proposals
    - 2 weeks

27. Shortlist ESCO for Interview
    - 2 weeks

28. Conduct ESCO Interviews
    - 2 weeks

29. Select ESCO
    - Fully document selection justification
    - 2 weeks

30. Selection Review by appropriate University officials

31. Approval by Board of Trustees

32. Notify selected ESCO

33. Negotiate Investment Grade Audit (IGA) Scope and Fee
    - 4 weeks

34. Execute IGA Agreement

35. ESCO conducts IGA
    - 4-16 weeks

36. Draft Scope for Independent Third Party (PE) M&V

37. Solicit Statement of Qualifications for M&V
    - 2 weeks

38. Receive/Open SOQ

39. Evaluate SOQs
    - 2 weeks

40. Shortlist M&V Reps for Interview
    - 2 weeks

41. Conduct Interviews
    - 2 weeks

42. Selected firm submits fee proposal
    - 2 weeks

43. Negotiate IGA Phase Contract
    - 2 weeks
Energy Performance Contract Flow Chart

1. Owner selects Energy Conservation Measures
   - Owner/ESCO develop project cash flows
2. Owner & ESCO consult with SCO, OSBM & Treasurer
   - Include debt service, cost of plans & specs, M&V annual review, training, maintenance, specialties, etc.
   - IGA review by Owner
   - IGA review by Owners Rep
   - IGA review by SEO
3. Execute Contract
4. IGA review by Third party M&V
   - Satisfied with M&V Rep
      - N: 4
         - 4
         - Y: 5
         - Y: Negotiate fee for Annual Review
         - Y: Execute Contract for Annual Review
   - From Owners Rep or Independent Third Party
   - Letter to OSBM with PE review of IGA
   - Alert UNC-GA Finance
   - Submit CI-1 to BOG
5. Develop Financing RFP & bank distribution list
   - Financing can be parallel with ESA negotiations as long as you are mindful of terms and cash flow changes
   - Send out RFP
6. 2-3 weeks
7. 5
Energy Performance Contract Flow Chart

1. Evaluate bids/ select bank
2. Negotiate financing document
3. Submit project to Board of Governors for Authorization & Financing Method
   - Use SEO Template
     - Y: SEO Obtains Approval from Council of State
       - 4 weeks
     - N: University General Counsel Letter of Opinion for Office of State Treasurer
6. Award Contract
7. Execute Energy Performance Contract
   - Develop Submittal Requirements for SCO based on ESMs
8. Annual M&V by ESCO and review by Third party M&V rep
PERFORMANCE CONTRACTING APPLICATION and PROJECT SCOPE

Date: ____________

Name of Agency or University: 
Division: 
Department: 
Contact Person ___________________________ Title ___________________________ 
Phone __________________ Fax ___________ Email ___________________________ 

Address of Building or Complex: 

Building Name: 
Total Floors: 
Building Age: _____ - Built in: _____ – Addition: _____ - Age: ________

Number of Buildings: 
Building Operator: ____________________ Phone: 
Building Engineer: _________________ Phone: 
Building Manager: ____________________ Phone: 

Building Type: (Dorm, Office, Classroom) 
Building Total Square Footage: ___________ sq. ft. 
Additions/Renovations: 
Describe Renovations: 

Operating Schedule: Daily: Weekend: 
Electric Meter for Building: 
Gas Meter for Building: 
Water Meter for Building: 
Steam Meter for Building: 
Chilled Water Meter for Building:

Issues to be Addressed by Performance Contract  
(Include a short description of proposed project: Including problems to be addressed and technologies/equipment that may be required)

Special Needs or Circumstances  
(May include critical temperature or humidity needs, security precautions, building availability, etc.)

Please email to: len.hoeystaat.gov
Len Hoey  
Director Utility Savings Initiative  
State Energy Office  
1340 Mail Service Center  
Raleigh, NC 27699-1340  
Phone 919-733-1891  
Fax 919-733-2953
SECTION 403 INFORMAL CONTRACTS ($30,000 - $500,000) An SCO Informal Contract format is available on the SCO Website. It is a simplified and condensed form with a Notice to Bidders, abbreviated OC-15 General Conditions, a Supplementary General Conditions page for Designer edits and a simplified combination proposal and contract form. An Informal Contract in no way implies that plans and specifications may be less than fully developed or inadequately describe the work to be done.

A. On projects where construction cost will be less than $500,000, a public advertisement, bid bonds, performance bonds and payment bonds are not required but may be included if the Owner desires.

B. The receipt of 3 bids is not required to open bids. But, for the advantages of competitive bids, at least 3 bids should be solicited. Bids may be faxed or sent electronically to the Owner.

C. If the low bid exceeds $500,000, then the project scope or the bid, if reasonable and practical, may be negotiated below $500,000 for an award of an informal contract. If this is impractical or unreasonable to do, then the project shall be re-bid under the formal contract process. Depending on the project, unreasonable and impractical may be considered if the project exceeds 5%-10% over $500,000.

D. MBE requirements and 10% goal also apply on informal contracts BUT the Owner has the responsibility to make a good faith effort to solicit minority bids and to attain the goal. (GS 143-131(b)). Documentation and data on MBE participation is required for informal projects and must be reported annually to the Department of Administration – HUB Office. A reporting form is available on the HUB website.

E. Senate Bill 914 (2002) revised the State Building Commission statutory powers and duties (GS143-145.26) to include adoption of rules to coordinate the review and approval process, provide for specific time frames for review and for exemption from review of specified types of projects. A State Building Commission subcommittee has proposed a rule to exempt from SCO review and approval* projects whose contract costs are under the $500,000 informal limit. See Chapter 300 — 301.2.c.

*Important Note: The exemption from review does not apply to the Department of Insurance review of State owned facilities nor affect or change any other statutory or regulatory requirements. Informal projects must still follow SCO prescribed procedures for OC25, design contracts, bidding and construction contracting and monitoring.

See SCO University Download Review Requirements on SCO web site.
Equal Access In Construction Contracting

It is the policy of The University of North Carolina to provide businesses owned by minority persons equal access and opportunity to participate fully in all aspects of the University construction program; to prohibit discrimination against businesses on the basis of race, color, national origin, or gender; to promote and encourage full and open competition; and to promote equal access to contracting opportunities among the various contractors and vendors that do business with the University. Minority persons are defined in North Carolina General Statutes 143-128.
GUIDELINES FOR RECRUITMENT AND SELECTION OF MINORITY BUSINESSES FOR PARTICIPATION IN STATE CONSTRUCTION CONTRACTS

In accordance with G.S. 143-128.2 (effective January 1, 2002) these guidelines establish goals for minority participation in single-prime bidding, separate-prime bidding, construction manager at risk, and alternative contracting methods, on State construction projects in the amount of $300,000 or more. The legislation provides that the State shall have a verifiable ten percent (10%) goal for participation by minority businesses in the total value of work for each project for which a contract or contracts are awarded. These requirements are published to accomplish that end.

SECTION A: INTENT
It is the intent of these guidelines that the State of North Carolina, as awarding authority for construction projects, and the contractors and subcontractors performing the construction contracts awarded shall cooperate and in good faith do all things legal, proper and reasonable to achieve the statutory goal of ten percent (10%) for participation by minority businesses in each construction project as mandated by GS 143-128.2. Nothing in these guidelines shall be construed to require contractors or awarding authorities to award contracts or subcontracts to or to make purchases of materials or equipment from minority-business contractors or minority-business subcontractors who do not submit the lowest responsible, responsive bid or bids.

SECTION B: DEFINITIONS
1. Minority - a person who is a citizen or lawful permanent resident of the United States and who is:
   a. Black, that is, a person having origins in any of the black racial groups in Africa;
   b. Hispanic, that is, a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race;
   c. Asian American, that is, a person having origins in any of the original peoples of the Far East, Southeast Asia and Asia, the Indian subcontinent, the Pacific Islands;
   d. American Indian, that is, a person having origins in any of the original peoples of North America; or
   e. Female

2. Minority Business - means a business:
   a. In which at least fifty-one percent (51%) is owned by one or more minority persons, or in the case of a corporation, in which at least fifty-one percent (51%) of the stock is owned by one or more minority persons or socially and economically disadvantaged individuals; and
   b. Of which the management and daily business operations are controlled by one or more of the minority persons or socially and economically disadvantaged individuals who own it.

3. Socially and economically disadvantaged individual - means the same as defined in 15 U.S.C. 637. “Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities”. “Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged”.

4. Public Entity - means State and all public subdivisions and local governmental units.

5. Owner - The State of North Carolina, through the Agency/Institution named in the contract.

6. Designer – Any person, firm, partnership, or corporation, which has contracted with the State of North Carolina to perform architectural or engineering, work.

7. Bidder - Any person, firm, partnership, corporation, association, or joint venture seeking to be awarded a public contract or subcontract.

MBGuidelines 2002
8. **Contract** - A mutually binding legal relationship or any modification thereof obligating the seller to furnish equipment, materials or services, including construction, and obligating the buyer to pay for them.

9. **Contractor** - Any person, firm, partnership, corporation, association, or joint venture which has contracted with the State of North Carolina to perform construction work or repair.

10. **Subcontractor** - A firm under contract with the prime contractor or construction manager at risk for supplying materials or labor and materials and/or installation. The subcontractor may or may not provide materials in his subcontract.

### SECTION C: RESPONSIBILITIES

1. **Office for Historically Underutilized Businesses, Department of Administration** (hereinafter referred to as HUB Office).

The HUB Office has established a program, which allows interested persons or businesses qualifying as a minority business under G.S. 143-128.2, to obtain certification in the State of North Carolina procurement system. The information provided by the minority businesses will be used by the HUB Office to:

   a. Identify those areas of work for which there are minority businesses, as requested.
   b. Make available to interested parties a list of prospective minority business contractors and subcontractors.
   c. Assist in the determination of technical assistance needed by minority business contractors.

In addition to being responsible for the certification/verification of minority businesses that want to participate in the State construction program, the HUB Office will:

1. Maintain a current list of minority businesses. The list shall include the areas of work in which each minority business is interested.
2. Inform minority businesses on how to identify and obtain contracting and subcontracting opportunities through the State Construction Office and other public entities.
3. Inform minority businesses of the contracting and subcontracting process for public construction building projects.
4. Work with the North Carolina trade and professional organizations to improve the ability of minority businesses to compete in the State construction projects.
5. The HUB Office also oversees the minority business program by:
   a. Monitoring compliance with the program requirements.
   b. Assisting in the implementation of training and technical assistance programs.
   c. Identifying and implementing outreach efforts to increase the utilization of minority businesses.
   d. Reporting the results of minority business utilization to the Secretary of the Department of Administration, the Governor, and the General Assembly.

2. **State Construction Office**

The State Construction Office will be responsible for the following:

a. Furnish to the HUB Office a minimum of twenty-one days prior to the bid opening the following:
   1. Project description and location;
   2. Locations where bidding documents may be reviewed;
   3. Name of a representative of the owner who can be contacted during the advertising period to advise who the prospective bidders are;
   4. Date, time and location of the bid opening.
   5. Date, time and location of prebid conference, if scheduled.

b. Attending scheduled prebid conference, if necessary, to clarify requirements of the general statutes regarding minority-business participation, including the bidders' responsibilities.
c. Reviewing the apparent low bidders' statutory compliance with the requirements listed in the proposal, that must be complied with, if the bid is to be considered as responsive, prior to award of contracts. The State reserves the right to reject any or all bids and to waive informalities.
d. Reviewing of minority business requirements at Preconstruction conference.
e. Monitoring of contractors' compliance with minority business requirements in the contract documents during construction.
f. Provide statistical data and required reports to the HUB Office.
g. Resolve any protest and disputes arising after implementation of the plan, in conjunction with the HUB Office.

3. **Owner**

Before awarding a contract, owner shall do the following:

a. Develop and implement a minority business participation outreach plan to identify minority businesses that can perform public building projects and to implement outreach efforts to encourage minority business participation in these projects to include education, recruitment, and interaction between minority businesses and non-minority businesses.
b. Attend the scheduled prebid conference.
c. At least 10 days prior to the scheduled day of bid opening, notify minority businesses that have requested notices from the public entity for public construction or repair work and minority businesses that otherwise indicated to the Office for Historically Underutilized Businesses an interest in the type of work being bid or the potential contracting opportunities listed in the proposal. The notification shall include the following:
   1. A description of the work for which the bid is being solicited.
   2. The date, time, and location where bids are to be submitted.
   3. The name of the individual within the owner’s organization who will be available to answer questions about the project.
   4. Where bid documents may be reviewed.
   5. Any special requirements that may exist.
d. Utilize other media, as appropriate, likely to inform potential minority businesses of the bid being sought.
e. Maintain documentation of any contacts, correspondence, or conversation with minority business firms made in an attempt to meet the goals.
f. Review, jointly with the designer, all requirements of G.S. 143-128.2(c) and G.S. 143-128.2(f) – (i.e. bidders’ proposals for identification of the minority businesses that will be utilized with corresponding total dollar value of the bid and affidavit listing good faith efforts, or affidavit of self-performance of work, if the contractor will perform work under contract by its own workforce) - prior to recommendation of award to the State Construction Office.
g. Evaluate documentation to determine good faith effort has been achieved for minority business utilization prior to recommendation of award to State Construction Office.
h. Review prime contractors’ pay applications for compliance with minority business utilization commitments prior to payment.
i. Make documentation showing evidence of implementation of Owner’s responsibilities available for review by State Construction Office and HUB Office, upon request

4. **Designer**

Under the single-prime bidding, separate prime bidding, construction manager at risk, or alternative contracting method, the designer will:

a. Attend the scheduled prebid conference to explain minority business requirements to the prospective bidders.
b. Assist the owner to identify and notify prospective minority business prime and subcontractors of potential contracting opportunities.
c. Maintain documentation of any contacts, correspondence, or conversation with minority business firms made in an attempt to meet the goals.
d. Review jointly with the owner, all requirements of G.S. 143-128.2(c) and G.S.143-128.2(f) – (i.e. bidders’ proposals for identification of the minority businesses that will be utilized with
corresponding total dollar value of the bid and affidavit listing Good Faith Efforts, or affidavit of self-performance of work, if the contractor will perform work under contract by its own workforce - prior to recommendation of award.

e. During construction phase of the project, review “MBE Documentation for Contract Payment” – (Appendix E) for compliance with minority business utilization commitments. Submit Appendix E form with monthly pay applications to the owner and forward copies to the State Construction Office.

f. Make documentation showing evidence of implementation of Designer’s responsibilities available for review by State Construction Office and HUB Office, upon request.

5. **Prime Contractor(s), CM at Risk, and Its First-Tier Subcontractors**
Under the single-prime bidding, the separate-prime biding, construction manager at risk and alternative contracting methods, contractor(s) will:

a. Attend the scheduled prebid conference.

b. Identify or determine those work areas of a subcontract where minority businesses may have an interest in performing subcontract work.

c. At least ten (10) days prior to the scheduled day of bid opening, notify minority businesses of potential subcontracting opportunities listed in the proposal. The notification will include the following:
   1. A description of the work for which the subbid is being solicited.
   2. The date, time and location where subbids are to be submitted.
   3. The name of the individual within the company who will be available to answer questions about the project.
   4. Where bid documents may be reviewed.
   5. Any special requirements that may exist, such as insurance, licenses, bonds and financial arrangements.

If there are more than three (3) minority businesses in the general locality of the project who offer similar contracting or subcontracting services in the specific trade, the contractor(s) shall notify three (3), but may contact more, if the contractor(s) so desires.

d. During the bidding process, comply with the contractor(s) requirements listed in the proposal for minority participation.

e. Identify on the bid, the minority businesses that will be utilized on the project with corresponding total dollar value of the bid and affidavit listing good faith efforts as required by G.S. 143-128.2(c) and G.S. 143-128.2(f).

f. Make documentation showing evidence of implementation of PM, CM-at-Risk and First-Tier Subcontractor responsibilities available for review by State Construction Office and HUB Office, upon request.

g. Upon being named the apparent low bidder, the Bidder shall provide one of the following: (1) an affidavit (Affidavit C) that includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, which is equal to or more than the applicable goal; (2) if the percentage is not equal to the applicable goal, then documentation of all good faith efforts taken to meet the goal. Failure to comply with these requirements is grounds for rejection of the bid and award to the next lowest responsible and responsive bidder.

h. The contractor(s) shall identify the name(s) of minority business subcontractor(s) and corresponding dollar amount of work on the schedule of values. The schedule of values shall be provided as required in Article 31 of the General Conditions of the Contract to facilitate payments to the subcontractors.

i. The contractor(s) shall submit with each monthly pay request(s) and final payment(s), “MBE Documentation for Contract Payment” – (Appendix E), for designer’s review.

j. During the construction of a project, at any time, if it becomes necessary to replace a minority business subcontractor, immediately advise the owner, State Construction Office, and the Director of the HUB Office in writing, of the circumstances involved. The prime contractor shall make a good faith effort to replace a minority business subcontractor with another minority business subcontractor.
k. If during the construction of a project additional subcontracting opportunities become available, make a good faith effort to solicit subbids from minority businesses.

l. It is the intent of these requirements apply to all contractors performing as prime contractor and first tier subcontractor under construction manager at risk on state projects.

6. **Minority Business Responsibilities**
   While minority businesses are not required to become certified in order to participate in the State construction projects, it is recommended that they become certified and should take advantage of the appropriate technical assistance that is made available. In addition, minority businesses who are contacted by owners or bidders must respond promptly whether or not they wish to submit a bid.

**SECTION 4: DISPUTE PROCEDURES**
It is the policy of this state that disputes that involves a person's rights, duties or privileges, should be settled through informal procedures. To that end, minority business disputes arising under these guidelines should be resolved as governed under G.S. 143-128(g).

**SECTION 5:** These guidelines shall apply upon promulgation on state construction projects. Copies of these guidelines may be obtained from the Department of Administration, State Construction Office, (physical address) 301 North Wilmington Street, Suite 450, NC Education Building, Raleigh, North Carolina, 27601-2827, (mail address) 1307 Mail Service Center, Raleigh, North Carolina, 27699-1307, phone (919) 807-4100, Website: www.nc-sco.com

**SECTION 6:** In addition to these guidelines, there will be issued with each construction bid package provisions for contractual compliance providing minority business participation in the state construction program.
MINORITY BUSINESS CONTRACT PROVISIONS (CONSTRUCTION)

APPLICATION:

The Guidelines for Recruitment and Selection of Minority Businesses for Participation in State Construction Contracts are hereby made a part of these contract documents. These guidelines shall apply to all contractors regardless of ownership. Copies of these guidelines may be obtained from the Department of Administration, State Construction Office, (physical address) 301 North Wilmington Street, Suite 450, NC Education Building, Raleigh, North Carolina, 27601-2827, (mail address) 1307 Mail Service Center, Raleigh, North Carolina, 27699-1307, phone (919) 807-4100, Website: http://www.nc-sco.com

MINORITY BUSINESS SUBCONTRACT GOALS:

The goals for participation by minority firms as subcontractors on this project have been set at 10%.

The bidder must identify on its bid, the minority businesses that will be utilized on the project with corresponding total dollar value of the bid and affidavit (Affidavit A) listing good faith efforts or affidavit (Affidavit B) of self-performance of work, if the bidder will perform work under contract by its own workforce, as required by G.S. 143-128.2(c) and G.S. 143-128.2(f).

The lowest responsible, responsive bidder must provide Affidavit C, that includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, which is equal to or more than the applicable goal.

OR

Provide Affidavit D, that includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, with documentation of Good Faith Effort, if the percentage is not equal to the applicable goal.

OR

Provide Affidavit B, which includes sufficient information for the State to determine that the bidder does not customarily subcontract work on this type project.

The above information must be provided as required. Failure to submit these documents is grounds for rejection of the bid.
MINIMUM COMPLIANCE REQUIREMENTS:

All written statements, affidavits or intentions made by the Bidder shall become a part of the agreement between the Contractor and the State for performance of this contract. Failure to comply with any of these statements, affidavits or intentions, or with the minority business Guidelines shall constitute a breach of the contract. A finding by the State that any information submitted either prior to award of the contract or during the performance of the contract is inaccurate, false or incomplete, shall also constitute a breach of the contract. Any such breach may result in termination of the contract in accordance with the termination provisions contained in the contract. It shall be solely at the option of the State whether to terminate the contract for breach.

In determining whether a contractor has made Good Faith Efforts, the State will evaluate all efforts made by the Contractor and will determine compliance in regard to quantity, intensity, and results of these efforts. Good Faith Efforts include:

(1) Contacting minority businesses that reasonably could have been expected to submit a quote and that were known to the contractor or available on State or local government maintained lists at least 10 days before the bid or proposal date and notifying them of the nature and scope of the work to be performed.

(2) Making the construction plans, specifications and requirements available for review by prospective minority businesses, or providing these documents to them at least 10 days before the bid or proposals are due.

(3) Breaking down or combining elements of work into economically feasible units to facilitate minority participation.

(4) Working with minority trade, community, or contractor organizations identified by the Office for Historically Underutilized Businesses and included in the bid documents that provide assistance in recruitment of minority businesses.

(5) Attending any prebid meetings scheduled by the public owner.

(6) Providing assistance in getting required bonding or insurance or providing alternatives to bonding or insurance for subcontractors.

(7) Negotiating in good faith with interested minority businesses and not rejecting them as unqualified without sound reasons based on their capabilities. Any rejection of a minority business based on lack of qualification should have the reasons documented in writing.

(8) Providing assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisting minority businesses in obtaining the same unit pricing with the bidder’s suppliers in order to help minority businesses in establishing credit.

(9) Negotiating joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible.

(10) Providing quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands.
APPENDIX E

MBE DOCUMENTATION FOR CONTRACT PAYMENTS

Prime Contractor/Architect: _____________________________________________

Address & Phone: _____________________________________________________

Project Name: _______________________________________________________

Pay Application #: ______________  Period: _____________________________

The following is a list of payments made to Minority Business Enterprises on this project for the above-mentioned period.

<table>
<thead>
<tr>
<th>MBE FIRM NAME</th>
<th>* INDICATE TYPE OF MBE</th>
<th>AMOUNT PAID THIS MONTH</th>
<th>TOTAL PAYMENTS TO DATE</th>
<th>TOTAL AMOUNT COMMITTED</th>
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*Minority categories: Black, African American (B), Hispanic (H), Asian American (A), American Indian (I), Female (F), Social and Economically Disadvantage (D)

Date: _______________  Approved/Certified By: ___________________________

Name

Title

Signature

SUBMIT WITH EACH PAY REQUEST & FINAL PAYMENT

(Revised on 3/14/2003)
GUIDELINES FOR RECRUITMENT AND SELECTION OF MINORITY BUSINESSES FOR PARTICIPATION IN UNIVERSITY OF NORTH CAROLINA CONSTRUCTION CONTRACTS

In accordance with G.S. 143-128.2 (effective January 1, 2002) these guidelines establish goals for minority participation in single-prime bidding, separate-prime bidding, construction manager at risk, and alternative contracting methods, on University of North Carolina construction projects in the amount of $300,000 to $2,000,000. The legislation provides that the State (University of North Carolina) shall have a verifiable ten percent (10%) goal for participation by minority businesses in the total value of work for each project for which a contract or contracts are awarded. These requirements are published to accomplish that end.

SECTION A: INTENT

It is the intent of these guidelines that the State through The University of North Carolina, as awarding authority for construction projects, and the contractors and subcontractors performing the construction contracts awarded shall cooperate and in good faith do all things legal, proper and reasonable to achieve the statutory goal of ten percent (10%) for participation by minority businesses in each construction project as mandated by GS 143-128.2. Nothing in these guidelines shall be construed to require contractors or awarding authorities to award contracts or subcontracts to or to make purchases of materials or equipment from minority-business contractors or minority-business subcontractors who do not submit the lowest responsible, responsive bid or bids.

SECTION B: DEFINITIONS

1. Minority - a person who is a citizen or lawful permanent resident of the United States and who is:
   a. Black, that is, a person having origins in any of the black racial groups in Africa;
   b. Hispanic, that is, a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race;
   c. Asian American, that is, a person having origins in any of the original peoples of the Far East, Southeast Asia and Asia, the Indian subcontinent, the Pacific Islands;
   d. American Indian, that is, a person having origins in any of the original peoples of North America; or
   e. Female

2. Minority Business - means a business:
   a. In which at least fifty-one percent (51%) is owned by one or more minority persons, or in the case of a corporation, in which at least fifty-one percent (51%) of the stock is owned by one or more minority persons or socially and economically disadvantaged individuals; and
   b. Of which the management and daily business operations are controlled by one or more of the minority persons or socially and economically disadvantaged individuals who own it.

3. Socially and economically disadvantaged individual - means the same as defined in 15 U.S.C. 637. “Socially disadvantaged individuals are those who have been subjected to racial or ethnic prejudice or cultural bias because of their identity as a member of a group without regard to their individual qualities”. “Economically disadvantaged individuals are those socially disadvantaged individuals whose ability to compete in the free enterprise system has been impaired due to diminished capital and credit opportunities as compared to others in the same business area who are not socially disadvantaged”.

4. Public Entity - means State and all public subdivisions and local governmental units.

5. Owner - The State of North Carolina, through the constituent institution named in the contract.

6. Designer – Any person, firm, partnership, or corporation, which has contracted with the State of North Carolina to perform architectural or engineering, work.
7. Bidder - Any person, firm, partnership, corporation, association, or joint venture seeking to be awarded a public contract or subcontract.

8. Contract - A mutually binding legal relationship or any modification thereof obligating the seller to furnish equipment, materials or services, including construction, and obligating the buyer to pay for them.

9. Contractor - Any person, firm, partnership, corporation, association, or joint venture which has contracted with the State of North Carolina to perform construction work or repair.

10. Subcontractor - A firm under contract with the prime contractor or construction manager at risk for supplying materials or labor and materials and/or installation. The subcontractor may or may not provide materials in his subcontract.

SECTION C: RESPONSIBILITIES

1. Office for Historically Underutilized Businesses, Department of Administration (hereinafter referred to as HUB Office).

The HUB Office has established a program, which allows interested persons or businesses qualifying as a minority business under G.S. 143-128.2, to obtain certification in the State of North Carolina procurement system. The information provided by the minority businesses will be used by the HUB Office to:
   a. Identify those areas of work for which there are minority businesses, as requested.
   b. Make available to interested parties a list of prospective minority business contractors and subcontractors.
   c. Assist in the determination of technical assistance needed by minority business contractors.

In addition to being responsible for the certification/verification of minority businesses that want to participate in the State construction program, the HUB Office will:
   (1) Maintain a current list of minority businesses. The list shall include the areas of work in which each minority business is interested.
   (2) Inform minority businesses on how to identify and obtain contracting and subcontracting opportunities through the University of North Carolina and other public entities.
   (3) Inform minority businesses of the contracting and subcontracting process for public construction building projects.
   (4) Work with the North Carolina trade and professional organizations to improve the ability of minority businesses to compete in the State construction projects.
   (5) The HUB Office also oversees the minority business program by:
      a. Monitoring compliance with the program requirements.
      b. Assisting in the implementation of training and technical assistance programs.
      c. Identifying and implementing outreach efforts to increase the utilization of minority businesses.
      d. Reporting the results of minority business utilization to the Secretary of the Department of Administration, the Governor, and the General Assembly.

2. The University of North Carolina
   The University of North Carolina will be responsible for the following:

      a. Reviewing the apparent low bidders' statutory compliance with the requirements listed in the proposal prior to award of contracts. The State (University of North Carolina) reserves the right to reject any or all bids and to waive informalities.
      b. Monitoring of contractors' compliance with minority business requirements in the contract documents during construction.
      c. Providing statistical data and required reports to the HUB Office.
d. Resolving any protest and disputes arising after implementation of the plan.

3. **Constituent Institutions of The University of North Carolina**
   Before awarding a contract, constituent institution shall do the following:
   
   a. Implement the University of North Carolina HUB plan.
   b. Attend the scheduled prebid conference.
   c. At least 10 days prior to the scheduled day of bid opening, notify minority businesses that have requested notices from the public entity for public construction or repair work and minority businesses that otherwise indicated to the Office for Historically Underutilized Businesses an interest in the type of work being bid or the potential contracting opportunities listed in the proposal. The notification shall include the following:
      1. A description of the work for which the bid is being solicited.
      2. The date, time, and location where bids are to be submitted.
      3. The name of the individual within the owner’s organization who will be available to answer questions about the project.
      4. Where bid documents may be reviewed.
      5. Any special requirements that may exist.
   d. Utilize other media, as appropriate, likely to inform potential minority businesses of the bid being sought.
   e. Maintain documentation of any contacts, correspondence, or conversation with minority business firms made in an attempt to meet the goals.
   f. Review, jointly with the designer, all requirements of G.S. 143-128.2(c) and G.S. 143-128.2(f) – (i.e. bidders’ proposals for identification of the minority businesses that will be utilized with corresponding total dollar value of the bid and affidavit listing good faith efforts, or affidavit of self-performance of work, if the contractor will perform work under contract by its own workforce) - prior to recommendation of award to the University of North Carolina.
   g. Evaluate documentation to determine good faith effort has been achieved for minority business utilization prior to recommendation of award to University of North Carolina.
   h. Review prime contractors’ pay applications for compliance with minority business utilization commitments prior to payment.
   i. Document evidence of implementation of Owner’s responsibilities.

4. **Designer**
   Under the single-prime bidding, separate prime bidding, construction manager at risk, or alternative contracting method, the designer will:

   a. Attend the scheduled prebid conference to explain minority business requirements to the prospective bidders.
   b. Assist the owner to identify and notify prospective minority business prime and subcontractors of potential contracting opportunities.
   c. Maintain documentation of any contacts, correspondence, or conversation with minority business firms made in an attempt to meet the goals.
   d. Review jointly with the owner, all requirements of G.S. 143-128.2(c) and G.S.143-128.2(f) – (i.e. bidders’ proposals for identification of the minority businesses that will be utilized with corresponding total dollar value of the bid and affidavit listing Good Faith Efforts, or affidavit of self-performance of work, if the contractor will perform work under contract by its own workforce) - prior to recommendation of award.
   e. During construction phase of the project, review “MBE Documentation for Contract Payment” – (Appendix E) for compliance with minority business utilization commitments. Submit Appendix E form with monthly pay applications to the owner and forward copies to the University of North Carolina.
   f. Make documentation showing evidence of implementation of Designer’s responsibilities available for review by University of North Carolina and HUB Office, upon request.
5. **Prime Contractor(s), CM at Risk, and Its First-Tier Subcontractors**

Under the single-prime bidding, the separate-prime bidding, construction manager at risk and alternative contracting methods, contractor(s) will:

a. Attend the scheduled prebid conference.
b. Identify or determine those work areas of a subcontract where minority businesses may have an interest in performing subcontract work.
c. At least ten (10) days prior to the scheduled day of bid opening, notify minority businesses of potential subcontracting opportunities listed in the proposal. The notification will include the following:
   1. A description of the work for which the subbid is being solicited.
   2. The date, time and location where subbids are to be submitted.
   3. The name of the individual within the company who will be available to answer questions about the project.
   4. Where bid documents may be reviewed.
   5. Any special requirements that may exist, such as insurance, licenses, bonds and financial arrangements.

If there are more than three (3) minority businesses in the general locality of the project who offer similar contracting or subcontracting services in the specific trade, the contractor(s) shall notify three (3), but may contact more, if the contractor(s) so desires.

d. During the bidding process, comply with the contractor(s) requirements listed in the proposal for minority participation.

e. Identify on the bid, the minority businesses that will be utilized on the project with corresponding total dollar value of the bid and affidavit listing good faith efforts as required by G.S. 143-128.2(c) and G.S. 143-128.2(f).

f. Make documentation showing evidence of implementation of PM, CM-at-Risk and First-Tier Subcontractor responsibilities available for review by University of North Carolina and HUB Office, upon request.

g. Upon being named the apparent low bidder, the Bidder shall provide one of the following: (1) an affidavit (Affidavit C) that includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, which is equal to or more than the applicable goal; (2) if the percentage is not equal to the applicable goal, then documentation of all good faith efforts taken to meet the goal. Failure to comply with these requirements is grounds for rejection of the bid and award to the next lowest responsible and responsive bidder.

h. The contractor(s) shall identify the name(s) of minority business subcontractor(s) and corresponding dollar amount of work on the schedule of values. The schedule of values shall be provided as required in Article 31 of the General Conditions of the Contract to facilitate payments to the subcontractors.

i. The contractor(s) shall submit with each monthly pay request(s) and final payment(s), “MBE Documentation for Contract Payment” – (Appendix E), for designer’s review.

j. During the construction of a project, at any time, if it becomes necessary to replace a minority business subcontractor, immediately advise the owner, University of North Carolina, and the Director of the HUB Office in writing, of the circumstances involved. The prime contractor shall make a good faith effort to replace a minority business subcontractor with another minority business subcontractor.

k. If during the construction of a project additional subcontracting opportunities become available, make a good faith effort to solicit subbids from minority businesses.

l. It is the intent of these requirements apply to all contractors performing as prime contractor and first tier subcontractor under construction manager at risk on state projects.

6. **Minority Business Responsibilities**

While minority businesses are not required to become certified in order to participate in the State construction projects, it is recommended that they become certified and should take advantage of the appropriate technical assistance that is made available. In addition, minority businesses who are contacted by owners or bidders must respond promptly whether or not they wish to submit a bid.
SECTION D: DISPUTE PROCEDURES
It is the policy of this state that disputes that involves a person's rights, duties or privileges, should be settled through informal procedures. To that end, minority business disputes arising under these guidelines should be resolved as governed under G.S. 143-128(g).

SECTION E: These guidelines shall apply upon promulgation on University construction projects. Copies of these guidelines may be obtained from The University of North Carolina, (physical address) 910 Raleigh Road, Chapel Hill North Carolina, 27515, (mail address) PO Box 2688, Chapel Hill, North Carolina, 27515-2688, phone (919) 962-1000, Website: http://www.northcarolina.edu/info/vendors/UNC_HUB_Guidelines2002_Rev 7-10

SECTION F: In addition to these guidelines, there will be issued with each construction bid package provisions for contractual compliance providing MBE participation in State building projects. An explanation of the process follows, titled “MINORITY BUSINESS CONTRACT PROVISIONS (CONSTRUCTION)” along with relevant forms for its implementation (“Identification of Minority Business Participation” form, Affidavits A, B, C, D and Appendix E).
APPLICATION:

The Guidelines for Recruitment and Selection of Minority Businesses for Participation in University of North Carolina Construction Contracts are hereby made a part of these contract documents. These guidelines shall apply to all contractors regardless of ownership. Copies of these guidelines may be obtained from The University of North Carolina, (physical address) 910 Raleigh Road, Chapel Hill North Carolina, 27515, (mail address) PO Box 2688, Chapel Hill, North Carolina, 27515-2688, phone (919) 962-1000, Website: http://www.northcarolina.edu/info/vendors/UNC_HUB_Guidelines2002_Rev_7-10

MINORITY BUSINESS SUBCONTRACT GOALS:

The goals for participation by minority firms as subcontractors on this project have been set at 10%.

The bidder must identify on its bid (by using the “Identification of Minority Business Participation” form provided in the bid document), the minority businesses that will be utilized on the project with corresponding total dollar value of the bid. In addition, the bidder must submit with his/her bid an affidavit (Affidavit A) listing good faith efforts or affidavit (Affidavit B) of self-performance of work, if the bidder will perform work under contract by its own workforce, as required by G.S. 143-128.2(c) and G.S. 143-128.2(f).

The lowest responsible, responsive bidder must provide Affidavit C, if the portion of work to be performed by minority firms is equal to or greater than 10% of the bidder’s total contract price. Affidavit C includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, and lists the participating minority firms with the dollar value of their contracts.

OR

Provide Affidavit D, if the portion of work to be performed by minority firms is less than 10% of the bidder’s total contract price. Affidavit D includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, lists the participating minority firms with the dollar value of their contracts and includes documentation of Good Faith Effort.

OR

Have provided Affidavit B with his/her bid as noted above, which includes sufficient information for the State to determine that the bidder does not customarily subcontract work on this type project.

The above information must be provided as required. Failure to submit these documents is grounds for rejection of the bid.
Summary of required submissions:
(use check boxes to assist in ensuring that all appropriate forms are submitted)

ALL BIDDERS SUBMIT WITH THEIR BID:

☐ “Identification of Minority Business Participation” form

AND EITHER

☐ Affidavit A – “Listing of Good Faith Efforts”

OR

☐ Affidavit B – “Intent to Perform Contract with Own Workforce”

IN ADDITION, THE APPARENT LOWEST RESPONSIVE, RESPONSIBLE BIDDER SUBMITS (IF HE HAS NOT SUBMITTED AFFIDAVIT B):

☐ Affidavit C – “Portion of the Work to be Performed by Minority Firms” if the percentage of work to be performed by minority firms is 10% or more. This form is to be submitted within 72 hours of notification of being low bidder.

OR

☐ Affidavit D “Good Faith Efforts” if the percentage of work to be performed by minority firms is less than 10%.
MINIMUM COMPLIANCE REQUIREMENTS:

All written statements, affidavits or intentions made by the Bidder shall become a part of the agreement between the Contractor and the State (University of North Carolina) for performance of this contract. Failure to comply with any of these statements, affidavits or intentions, or with the minority business Guidelines shall constitute a breach of the contract. A finding by the State (The University of North Carolina) that any information submitted either prior to award of the contract or during the performance of the contract is inaccurate, false or incomplete, shall also constitute a breach of the contract. Any such breach may result in termination of the contract in accordance with the termination provisions contained in the contract. It shall be solely at the option of the State (The University of North Carolina) whether to terminate the contract for breach.

In determining whether a contractor has made Good Faith Efforts, the University of North Carolina will evaluate all efforts made by the Contractor and will determine compliance in regard to quantity, intensity, and results of these efforts. Good Faith Efforts include:

(1) Contacting minority businesses that reasonably could have been expected to submit a quote and that were known to the contractor or available on State or local government maintained lists at least 10 days before the bid or proposal date and notifying them of the nature and scope of the work to be performed.

(2) Making the construction plans, specifications and requirements available for review by prospective minority businesses, or providing these documents to them at least 10 days before the bid or proposals are due.

(3) Breaking down or combining elements of work into economically feasible units to facilitate minority participation.

(4) Working with minority trade, community, or contractor organizations identified by the Office for Historically Underutilized Businesses and included in the bid documents that provide assistance in recruitment of minority businesses.

(5) Attending any prebid meetings scheduled by the public owner.

(6) Providing assistance in getting required bonding or insurance or providing alternatives to bonding or insurance for subcontractors.

(7) Negotiating in good faith with interested minority businesses and not rejecting them as unqualified without sound reasons based on their capabilities. Any rejection of a minority business based on lack of qualification should have the reasons documented in writing.

(8) Providing assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisting minority businesses in obtaining the same unit pricing with the bidder’s suppliers in order to help minority businesses in establishing credit.

(9) Negotiating joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible.

(10) Providing quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands.
Identification of HUB Certified/ Minority Business Participation

I, ___________________________________________ (Name of Bidder),
do hereby certify that on this project, we will use the following HUB Certified/ minority business as construction subcontractors, vendors, suppliers or providers of professional services.

<table>
<thead>
<tr>
<th>Firm Name, Address and Phone #</th>
<th>Work Type</th>
<th>*Minority Category</th>
<th>**HUB Certified (Y/N)</th>
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*Minority categories: Black, African American (B), Hispanic (H), Asian American (A), American Indian (I), Female (F) Socially and Economically Disadvantaged (D)

** HUB Certification with the state HUB Office required to be counted toward state participation goals.

The total value of minority business contracting will be ($)______________.
The University of North Carolina - AFFIDAVIT A - Listing of Good Faith Efforts

County of ________________________________
Affidavit of ________________________________

(Name of Bidder)

I have made a good faith effort to comply under the following areas checked:

Bidders must earn at least 50 points from the good faith efforts listed for their bid to be considered responsive. (1 NC Administrative Code 30.1.0101)

☐ 1 – (10 pts) Contacted minority businesses that reasonably could have been expected to submit a quote and that were known to the contractor, or available on State or local government maintained lists, at least 10 days before the bid date and notified them of the nature and scope of the work to be performed.

☐ 2 – (10 pts) Made the construction plans, specifications and requirements available for review by prospective minority businesses, or providing these documents to them at least 10 days before the bids are due.

☐ 3 – (15 pts) Broken down or combined elements of work into economically feasible units to facilitate minority participation.

☐ 4 – (10 pts) Worked with minority trade, community, or contractor organizations identified by the Office of Historically Underutilized Businesses and included in the bid documents that provide assistance in recruitment of minority businesses.

☐ 5 – (10 pts) Attended prebid meetings scheduled by the public owner.

☐ 6 – (20 pts) Provided assistance in getting required bonding or insurance or provided alternatives to bonding or insurance for subcontractors.

☐ 7 – (15 pts) Negotiated in good faith with interested minority businesses and did not reject them as unqualified without sound reasons based on their capabilities. Any rejection of a minority business based on lack of qualification should have the reasons documented in writing.

☐ 8 – (25 pts) Provided assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisted minority businesses in obtaining the same unit pricing with the bidder’s suppliers in order to help minority businesses in establishing credit.

☐ 9 – (20 pts) Negotiated joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible.

☐ 10 - (20 pts) Provided quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands.

The undersigned, if apparent low bidder, will enter into a formal agreement with the firms listed in the Identification of Minority Business Participation schedule conditional upon scope of contract to be executed with the Owner. Substitution of contractors must be in accordance with GS143-128.2(d) Failure to abide by this statutory provision will constitute a breach of the contract.

The undersigned hereby certifies that he or she has read the terms of the minority business commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: ___________________________ Name of Authorized Officer: ___________________________
Signature: ___________________________
Title: ___________________________

State of ___________________________, County of ___________________________
Subscribed and sworn to before me this _______ day of ___________ 20___
Notary Public ___________________________
My commission expires ___________________________

MBForms 2002-Revised July 2010
The University of North Carolina --AFFIDAVIT B-- Intent to Perform Contract with Own Workforce.

County of __________________________

Affidavit of__________________________________________

(Name of Bidder)

I hereby certify that it is our intent to perform 100% of the work required for the __________________________ contract.

(Name of Project)

In making this certification, the Bidder states that the Bidder does not customarily subcontract elements of this type project, and normally performs and has the capability to perform and will perform all elements of the work on this project with his/her own current work forces; and

The Bidder agrees to provide any additional information or documentation requested by the owner in support of the above statement. The Bidder agrees to make a Good Faith Effort to utilize minority suppliers where possible.

The undersigned hereby certifies that he or she has read this certification and is authorized to bind the Bidder to the commitments herein contained.

Date:____________ Name of Authorized Officer:________________________________________

Signature:________________________________________ Title:________________________________

[SEAL]

State of __________________________, County of __________________________

Subscribed and sworn to before me this ________________ day of _______ 20__

Notary Public __________________________

My commission expires __________________________
The University of North Carolina - AFFIDAVIT C - Portion of the Work to be Performed by HUB Certified/Minority Businesses

County of ________________________________

(Note this form is to be submitted only by the apparent lowest responsible, responsive bidder.)

If the portion of the work to be executed by HUB certified/minority businesses as defined in GS143-128.2(g) and 128.4(a),(b),(c) is equal to or greater than 10% of the bidders total contract price, then the bidder must complete this affidavit. This affidavit shall be provided by the apparent lowest responsible, responsive bidder within 72 hours after notification of being low bidder.

Affidavit of ________________________________ I do hereby certify that on the ________________________________

(Name of Bidder)

---

(Project Name)

Project ID# ________________________________ Amount of Bid $ ________________________________

I will expend a minimum of ____________% of the total dollar amount of the contract with minority business enterprises. Minority businesses will be employed as construction subcontractors, vendors, suppliers or providers of professional services. Such work will be subcontracted to the following firms listed below.

Attach additional sheets if required

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<thead>
<tr>
<th>Name and Phone Number</th>
<th>*Minority Category</th>
<th>**HUB Certified Y/N</th>
<th>Work Description</th>
<th>Dollar Value</th>
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</table>

*Minority categories: Black, African American (B), Hispanic (H), Asian American (A) American Indian (I), Female (F) Socially and Economically Disadvantaged (D)

** HUB Certification with the state HUB Office required to be counted toward state participation goals.

Pursuant to GS143-128.2(d), the undersigned will enter into a formal agreement with Minority Firms for work listed in this schedule conditional upon execution of a contract with the Owner. Failure to fulfill this commitment may constitute a breach of the contract.

The undersigned hereby certifies that he or she has read the terms of this commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: __________________________ Name of Authorized Officer: __________________________

Signature: __________________________ Title: __________________________

State of __________________________, County of __________________________

Subscribed and sworn to before me this ________ day of ________ 20____

Notary Public __________________________

My commission expires __________________________

MBForms 2002-Revised July 2010
University of North Carolina  

AFFIDAVIT D – Good Faith Efforts

County of __________________________
(Note this form is to be submitted only by the apparent lowest responsible, responsive bidder.)

If the goal of 10% participation by HUB Certified/ minority business is not achieved, the Bidder shall provide the following documentation to the Owner of his good faith efforts:

Affidavit of ____________________________ I do hereby certify that on the  
(Name of Bidder)

__________ (Project Name) 

Project ID#: ____________________________ Amount of Bid $________

I will expend a minimum of _________ % of the total dollar amount of the contract with HUB certified/ minority business enterprises. Minority businesses will be employed as construction subcontractors, vendors, suppliers or providers of professional services. Such work will be subcontracted to the following firms listed below.

(Attach additional sheets if required)

<table>
<thead>
<tr>
<th>Name and Phone Number</th>
<th>*Minority Category</th>
<th>**HUB Certified Y/N</th>
<th>Work Description</th>
<th>Dollar Value</th>
</tr>
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<tbody>
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</table>

*Minority categories: Black, African American (B), Hispanic (H), Asian American (A) American Indian (I), Female (F) Socially and Economically Disadvantaged (D)

** HUB Certification with the state HUB Office required to be counted toward state participation goals.

Examples of documentation that may be required to demonstrate the Bidder's good faith efforts to meet the goals set forth in these provisions include, but are not necessarily limited to, the following:

A. Copies of solicitations for quotes to at least three (3) minority business firms from the source list provided by the State for each subcontract to be let under this contract (if 3 or more firms are shown on the source list). Each solicitation shall contain a specific description of the work to be subcontracted, location where bid documents can be reviewed, representative of the Prime Bidder to contact, and location, date and time when quotes must be received.

B. Copies of quotes or responses received from each firm responding to the solicitation.

C. A telephone log of follow-up calls to each firm sent a solicitation.

D. For subcontracts where a minority business firm is not considered the lowest responsible sub-bidder, copies of quotes received from all firms submitting quotes for that particular subcontract.

E. Documentation of any contacts or correspondence to minority business, community, or contractor organizations in an attempt to meet the goal.

F. Copy of pre-bid roster

G. Letter documenting efforts to provide assistance in obtaining required bonding or insurance for minority business.

H. Letter detailing reasons for rejection of minority business due to lack of qualification.

I. Letter documenting proposed assistance offered to minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letter of credit, including waiving credit that is ordinarily required.

Failure to provide the documentation as listed in these provisions may result in rejection of the bid and award to the next lowest responsible and responsive bidder.

Pursuant to GS143-128.2(d), the undersigned will enter into a formal agreement with Minority Firms for work listed in this schedule conditional upon execution of a contract with the Owner. Failure to fulfill this commitment may constitute a breach of the contract.

MB Forms 2002-Rev 7-10  

1
The undersigned hereby certifies that he or she has read the terms of this commitment and is authorized to bind the bidder to the commitment herein set forth.

Date:__________ Name of Authorized Officer:__________________________
Signature:__________________________
Title:__________________________

State of ________________________, County of ________________________
Subscribed and sworn to before me this ____________ day of ____________, 20____
Notary Public ________________________
My commission expires ________________
APPENDIX E

MBE DOCUMENTATION FOR CONTRACT PAYMENTS

Prime Contractor/Architect: ____________________________________________
Address & Phone: ________________________________________________
Project Name: ________________________________

Pay Application #: ___________ Period: ____________________________

The following is a list of payments to be made to minority business contractors on this project for the above-mentioned period.

<table>
<thead>
<tr>
<th>MBE FIRM NAME</th>
<th>* INDICATE TYPE OF MBE</th>
<th>AMOUNT PAID THIS MONTH</th>
<th>TOTAL PAYMENTS TO DATE</th>
<th>TOTAL AMOUNT COMMITTED</th>
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*Minority categories: Black, African American (B), Hispanic (H), Asian American (A) American Indian (I), Female (F) Socially and Economically Disadvantaged (D)

Date: ______________ Approved/Certified By: __________________________

________________________________________
Name

________________________________________
Title

________________________________________
Signature

Signature certifies that any minority firms not previously verified in the bid/award process have been appropriately verified, services have been rendered, and payment is due as processed.

**THIS DOCUMENT MUST BE SUBMITTED WITH EACH PAY REQUEST & FINAL PAYMENT**

MB Forms 2002-Rev 7-10

205
UNC HUB Certification
(Form to be Submitted by Institution with Award Request Letter)

Institution

Project Name

Minority Participation – Total and by Category (%)

Minority categories: Black/African-American (B), Hispanic (H), Asian-American (A),
American Indian (I), Caucasian Female (F), Socially and Economically Disadvantaged (D),
Total (T)

Please check the boxes that apply and provide a copy of the affidavit(s).

☐ Affidavit A  The apparent low bidder has provided Affidavit A (Listing of the Good
Faith Effort).

☐ Affidavit B  The apparent low bidder has provided Affidavit B (Intent to Perform
Contract with Own Workforce). Documentation of effort to utilize minority business
suppliers must be provided with Affidavit B.

☐ Affidavit C  The apparent low bidder has provided Affidavit C (Portion of the Work to
be Performed by Minority Firms).

☐ Affidavit D  The apparent low bidder has provided Affidavit D (Good Faith Efforts).
Documentation of Good Faith Effort must be provided with Affidavit D.

Please check the appropriate boxes and complete the portion that applies:

☐ The apparent low bidder has indicated that he/she has performed ______ out of the 10
“Good Faith Efforts” and has provided supporting documentation.

☐ I have reviewed the documentation and concur that sufficient effort has been expended to
award the contract.

☐ The Institution has notified minority businesses that have requested notices from the
public entity in accordance with G.S. 143-128.2

Comments:

Documentation provided by the contractor supporting his/her “Good Faith Effort” must be
submitted with the award request letter.

Date:   Signature:

Name (Printed):

Title:
OC-24 CHANGE ORDER

PLEASE NOTE ----> This is a paper change order which cannot be updated online.

CHANGE ORDER # [ 12 ]
Status: Approved
Date Received: 2006-11-27
Status Date: 2006-12-01
Last Update: 

PROJECT [ Northeast Chiller Plant/Parking Deck]
Institution/Agency: Educational Institutions
Package: NE Chiller Plant/Parking Deck
Pkg 2
Project Start: 2005-01-20

SCO #: 00-05512-02A-02-12
State Code/Item: 40323-311
Designer: Affiliated Engineers, Inc.
Contractor: T. A. Loving Company

DESIGNER SUMMARY
1. Schedule items affected by this change:
2. Can Contractor mitigate the change without requiring a contract time extension:
3. Select the contractors that will need a contract time extension due to this change
4. Are additional costs incurred by reason of the time extension? (if so, include in items 5 & 6 below):

5. Estimated Cost of Change:
6. Estimated time extension field cost ($), if any:

OWNER CONTINGENCY

COST SUMMARY
Contract Start + Change Orders = Current Contract (+/-) This Order = Revised Contract (APPROVED)
Construction Days: 558 + 0 days = 558 days (+/-) 0 days = 558 days
Cost ($): 27,223,850 + 2,767,576.00 = 29,991,526.00 (+/-) 72,907.00 = 30,064,433.00

SCHEDULE SUMMARY
Construction Start + Original Days = Original Completion Date + Prior Approved CO Days = Prior Approved Completion Date + This Order = Revised Completion (APPROVED)
2005-01-20 + 558 days = 2006-08-01 + 0 days = 2006-08-01 + 0 days = 2006-08-01

BREAKDOWNS (PCO) # DESCRIPTION OF PCO REASON(S) FOR CHANGE(S) PCO COST # DAYS
1. Revised locations of Storm Sewer Manhole #51 and Storm Structure #52.
Cost of Work $6,502.
1. Shifted Storm Sewer Manhole #51 and Storm Structure #52 locations to avoid existing underground utilities
\( \text{Cost of Work: } \$6,502 \)
\( \text{72,907} \)
2. Revised location of drop inlet #16 and change Storm Structure #17 from a cleanout to a manhole. Cost of Work $10,475.
2. Shifted cleanout #16 location and change Storm Structure #17 from a cleanout to a manhole to avoid existing underground utilities.

REQUIRED - Supporting Documentation ("Browse" to select, then press "Attach" to upload...)
Supporting Documentation Description

Attachments
ATTACH FILE
Upload Date Type File Name Description User

Comments
Add Comment
Date Comment User

http://interscope2.doa.state.nc.us:8080/interscope/changeOrderOpen.action?uid=24810&source=jsp 5/22/2013

207
State Construction Office

Field Order # ______

Project: __________________________ Location: __________________________ Project ID: __________________________

Description of Change: ________________________________________________________________

_____________________________________________________

Justification of Change: ______________________________________________________________

_____________________________________________________

CONTRACTOR:
A total cost change not to exceed a lump sum cost is $____ or a unit cost of ____ extended using estimated quantities to not exceed is $____. The contractor will need a maximum number of ____ days time extension to the contract. The actual cost, not to exceed stated cost, shall be based on a realistic estimate based on current acceptable market values submitted with change order for approval by designer, owner, and State Construction Office.

DESIGNER:
The quoted price and need for the change are in the best interests of the owner to have the work accomplished. A formal change order will be prepared for contractor’s signature within seven (7) days.

OWNING AGENCY:
The owning agency agrees to the change as being in the owner’s best interest. Adequate funds are available to pay the cost for the change.

STATE CONSTRUCTION OFFICE:
The State Construction Office approves the request for the change.

SIGNATURES:

Contractor: __________________________________________ Date: __________________________

Designer: __________________________________________ Date: __________________________

Owning Agency: _____________________________________ Date: __________________________

State Construction Office: _____________________________ Date: __________________________

(8/26/99) 208
STATE OF NORTH CAROLINA
THE BOARD OF GOVERNORS OF
THE UNIVERSITY OF NORTH CAROLINA

CONTRACT CHANGE ORDER SUMMARY
(To be attached to each copy of a change order not made on state change order form)

CHANGE ORDER NO. _______________________________________________________
INSTITUTION _______________________________________________________________
PROJECT _________________________________________________________________
LOCATION _________________________________________________________________
FEDERAL PROJECT NO. (if applicable) _________________________________________
STATE CODE __________________________________ ITEM NO. __________________
CONTRACT FOR ___________________________________________________________
CONTRACTOR _____________________________________________________________

1. Amount of Original Contract . .......................................................... $____________
2. Addition, Net Amount Previous Orders ............... $_____________________
3. Addition, Net Amount This Order ......................... $_____________________
4. Total Additions (Lines 2 Plus 3) ......................... $_____________________
5. Original Contract plus Additions (Lines 1 plus 4) .... $_____________________
6. Deduction, Net Amount Previous Orders ................ $__________________
7. Deduction, Net Amount This Order ....................... $__________________
8. Total Deductions (Lines 6 plus 7) ................. $_____________________
9. Revised Contract Total (Lines 5 less 8) ............... $_____________________

Contract Time of Completion (increased) (decreased) by ____________________________
days (supporting detailed summary attached).

Note: Do not use both Lines 3 and 7 on any change order. Use Line 3 if the net change order is
an addition, or use Line 7 if the net change order is a deduction. The change order shall
reflect only the net amount to be added by the change order, or the net amount to be
deducted by the change order.
STATE OF NORTH CAROLINA
THE BOARD OF GOVERNORS OF
THE UNIVERSITY OF NORTH CAROLINA

FORM OF CHANGE ORDER
CAPITAL PROJECTS COSTING $2,000,000 OR LESS
CHANGE ORDER NO. ___

<table>
<thead>
<tr>
<th>INSTITUTION:</th>
<th>O OR Owner Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROJECT:</td>
<td>O CR Contractor Request</td>
</tr>
<tr>
<td>STATE CODE &amp; ITEM:</td>
<td>O DR Designer Request</td>
</tr>
<tr>
<td>CONTRACT FOR:</td>
<td>O CC Concealed Condition</td>
</tr>
<tr>
<td>CONTRACTOR:</td>
<td>O DE Design Error</td>
</tr>
<tr>
<td>CAUSE:</td>
<td>O DO Design Omission</td>
</tr>
<tr>
<td>CODE:</td>
<td>O SC Schedule Change</td>
</tr>
<tr>
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<td>O OT Other</td>
</tr>
</tbody>
</table>

Under the terms of the contract and without invalidating the original provisions thereof, the following change(s) in work is (are) authorized for the change in contract amount herein set forth: (Description of change order with detailed cost breakdown attached)

The time of completion including previous orders is ______ calendar days and shall be (increased) (decreased) (unchanged) by ______ calendar days by this change order for a revised contract date of completion of ________. (Detailed analysis supporting the requirements for a change in duration is attached.)

CONTRACT COST SUMMARY:

<table>
<thead>
<tr>
<th></th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Original Contract Amount</td>
<td>$__________</td>
</tr>
<tr>
<td>2. Amt. of Previous Orders:</td>
<td></td>
</tr>
<tr>
<td>Add $ _______ Deduct $ _______</td>
<td></td>
</tr>
<tr>
<td>3. Amt. of This Order:</td>
<td></td>
</tr>
<tr>
<td>Add $ _______ Deduct $ _______</td>
<td></td>
</tr>
<tr>
<td>4. Total of lines 2 &amp; 3</td>
<td></td>
</tr>
<tr>
<td>$__________ Minus Total Deducts: $__________ = $__________</td>
<td></td>
</tr>
</tbody>
</table>

[Line 4 shall show the net amount to be added or (deducted) from the contract amount.]

5. Revised Contract Total Amount | $__________ |

6. The owner certifies that the contingency fund balance after this change is: | $__________ |

Fill in one copy only
I certify that my bonding company will be notified forthwith that my contract has been (increased) (decreased) by the amount of this change order, and that a copy of the approved change order will be mailed upon receipt by me to my surety.

_________________     By: ______________________    ______________________
         (Contractor)  

_________________     By: ______________________    ______________________
         (Designer)  

_________________     By: ______________________    ______________________
         (Owner)  

DISTRIBUTION:
1 original to UNC-General Administration Construction
1 original to owner
1 original to designer
1 original to contractor
1 original to surety

REQUEST FOR AUTHORIZATION TO CHANGE

DATE:                        STATE CODE:       ITEM #:

REQUEST NO.:                      PROJECT NAME:

OWNER:                        CONTRACTOR:

DESIGNER:                       CONTRACT FOR:

________________________________________________________________________

DESCRIPTION OF CHANGE:

________________________________________________________________________

REASON FOR CHANGE:

________________________________________________________________________

211
SUMMARY REVIEW OF CONTRACTOR'S ESTIMATE FOR TIME AND COST:
(Attach contractor's detailed cost breakdown of labor and materials)

________________________________________________________________________

DESIGNER SUMMARY:

1. Schedule items affected by this change:

2. Can contractor mitigate the change without requiring a contract time extension?

3. Will the change require a contract time extension for other contractors? Which?

4. Are additional costs indicated by reason of the time extension? If so, they must be included in 5 & 6 below.

<table>
<thead>
<tr>
<th>CONTRACTOR'S ESTIMATE</th>
<th>DESIGNER'S ESTIMATE</th>
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<tbody>
<tr>
<td>5. Estimated cost of change:</td>
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<tr>
<td>6. Estimated time extension field cost (if any)</td>
<td></td>
</tr>
</tbody>
</table>

________________________________________________________________________

DESIGNER RECOMMENDATION AND CERTIFICATION:

I certify that I have reviewed all aspects of this change order and have determined that it is in the best interest of the owner to have the work accomplished. I have also determined that the cost and time allotment are fair and equitable, and I recommend acceptance by the owner.

APPROVED BY:__________ DATE:______
TITLE:________________________________________
CONSTRUCTION CONTRACT RETAINAGE

Retainage IS payment withheld on work that has been successfully completed and accepted by the designer and owner.

Retainage IS NOT payment withheld for defective, incomplete or disputed work that has not been accepted by the designer and owner.

Requirements for retainage on University projects are spelled out in Article 31 of both the State Construction Office General Conditions (Form OC-15) and University of North Carolina General Conditions (Fourth Edition – January 2013).

Article 31.a.3 specifies that five percent (5%) retainage shall be held on payments to the contractor for the value of work done and materials delivered to the site, provided however, that after fifty percent (50%) of the contractor’s work has been satisfactorily completed on schedule, with approval of the owner (and State Construction Office on projects over $2 million dollars) and written consent of the surety, further requirements for retainage will be waived ONLY so long as work continues to be completed satisfactorily and on schedule. This language clearly gives the owner the right to maintain and/or reinstate a 5% retainage after the contract is 50% complete if the contractor fails to perform satisfactorily. Adequate documentation of a contractor’s failure to perform should be carefully and accurately prepared and maintained.

Senate Bill 1245 enacted as Session Law 2007-365 amended the laws related to retainage payments on public construction contracts in North Carolina. Under this law, the two major differences for University projects (whether State Construction projects over $2 million dollars or projects under $2 million dollars) are:

1) No retainage shall be allowed on contracts in which the total project costs are less than one hundred thousand dollars ($100,000), and

2) Retainage on “early finishing trades” (structural steel, piling, caisson, demolition and other trades that may be identified in the original bid documents) may be reduced to five-tenths percent (0.5%) contingent upon the owner’s receipt of an approval or certification from the designer that the work performed by the subcontractor is acceptable and in accordance with the contract documents.

The language in Session Law 2007-365 with regard to reinstatement of a 5% retainage after the contract is 50% complete is stronger than the language included in the General Conditions. This language provides that the owner, with written consent of the surety, shall not retain any further retainage from periodic payments due the contractor if the contractor continues to perform satisfactorily and any nonconforming work identified by the designers or owner has been corrected by the contractor and accepted by the
designers or owner. If the owner determines the contractor's performance is unsatisfactory, the owner may reinstate retainage for each subsequent periodic payment application up to a maximum of five percent (5%).

Session Law 2007-365 also authorizes the owner to withhold additional retainage after a contract is fifty percent (50%) complete in order to retain two and one-half percent (2.5%) total retainage through completion of the contract. This will allow retainage on payments for change orders that are approved after fifty percent (50%) of the contract is completed.

Session Law 2007-365 provides that a prime contractor may hold retainage on payments to subcontractors under the same terms and conditions that retainage is held by the owner on payments to the prime contractor.

Nothing outlined in Session Law 2007-365 shall prevent an owner from withholding payment to the contractor in addition to the amounts authorized for retainage for unsatisfactory job progress, defective construction not remedied, disputed work, or third-party claims filed against the owner or reasonable evidence that a third-party claim will be filed.

Both the State and University General Conditions and Session Law 2007-365 allow the owner to retain funds toward the end of a contract to secure completion of the project or corrections of any work. The amount retained shall not exceed two and one-half times the estimated value of the work to be completed or corrected. Reduction of retainage must be with consent of the contractor’s surety.
BUILDING COMMISSIONING

by the

Sustainable, Energy Efficient Buildings Advisory Committee

in re

N.C.G.S. 143-135.35 thru 143-135.40
(Senate Bills 668 and 1946)
1.0 BUILDING COMMISSIONING

North Carolina General Statute 143-135.37(d) requires commissioning of major projects, as follows:

"...The construction contract shall include provisions that require each building component and each energy and water system component to be commissioned, and these provisions shall be included at the earliest phase of the construction process as possible and in no case later than the Schematic Design Phase of the project. Such commissioning shall continue through the initial operation of the building. The project design and construction teams and the public agency shall jointly determine what level of commissioning is appropriate for the size and complexity of the building or its energy and water system components."

1.1 DEFINITION AND SCOPE OF COMMISSIONING

Commissioning is a quality assurance process that verifies and documents that building components and systems operate in accordance to the owner’s project requirements and the project design documents. The party responsible for the commissioning process is defined as the commissioning authority (CxA).

For smaller, less complex projects commissioning can be provided under the direction and supervision of the designers when they establish specific start-up tests and documentation, followed by required detailed performance tests and documentation, to be performed by the installers and, then, participate in conducting these tests and evaluating the result. This is typically referred to as designer-led commissioning. This level of commissioning is typically acceptable for smaller, simpler facilities.

The best level of commissioning is that performed by an independent, third party CxA. Third party commissioning of major facilities will be necessary if any of the following conditions are satisfied:

1. Buildings greater than 20,000 gsf but less than 40,000 gsf in area, and are complex in nature. Typical building classifications, as defined by the North Carolina State Building Code, meeting this criteria are as follows:

   Group A-1 and A-3 (Auditoriums, gyms, assembly areas, etc)
   Group B (Educational facilities above the 12th grade, laboratories and data processing centers)
   Group I-2 and I-3 (Medical and correctional facilities)
   Group R-2 (Dormitories)
   Buildings connected to central campus energy plants

2. Buildings that exceed 40,000 gsf in area. However, buildings of the following occupancy classifications, as defined by the North Carolina State Building Code, typically do not require this level of commissioning since they have limited energy impact:
3. Buildings that have central energy plant equipment such as chillers and boilers.

4. Building renovations, as defined by NCGS 143-135.35(6) (renovation costs of greater than 50% of insurance value and larger than 20,000 gsf), to existing buildings that have multiple zone control HVAC systems.

Building commissioning shall include the whole building and, specifically, the following systems:

1. Mechanical systems – including HVAC systems and equipment, building automation systems, laboratory systems, energy recovery and renewable energy systems, and Testing, Adjusting and Balancing (TAB) validation.

2. Electrical systems – including lighting systems and controls, including day lighting, and renewable energy systems.

3. Plumbing systems – including potable hot water systems and rainwater harvesting and/or gray water systems.

4. Irrigation systems – including coverage and controls.

Other systems to consider during the commissioning process include normal, standby and emergency power systems, potable water and booster pump systems, and the building envelope.

During the early design stages of each major facility, preferably during advance planning, but certainly no later than the beginning of the Schematic Design Phase, the design team and the public agency must jointly determine what level of commissioning is appropriate for the size and complexity of the building and/or its energy and water system components. Verification of the project commissioning level and, as applicable, a copy of the third-party commissioning contract, will be required for the Schematic Design submittal to the State Construction Office.

1.2 DESIGNER-LED COMMISSIONING

In the smaller, less complex buildings, designer-led commissioning may be sufficient. In this case, the designer serves as the CxA. In these cases, commissioning of the facility HVAC systems typically represents about 90%+ of the commissioning requirement. Designer-led HVAC commissioning is a process defined by ANSI/ASHRAE Standard 111, Practices for Measurement, Testing, and Balancing of Heating, Ventilation, Air-Conditioning, and Refrigeration Systems; ASHRAE Guideline 1.1-2007, The HVAC&R Technical Requirements for The Commissioning Process; and ASHRAE Guideline 0-2005, The Commissioning Process.

Basically, the designer-led commissioning process begins with the HVAC designer to developing the Basis of Design (BOD) document. The BOD document should be developed during the Schematic Design Phase and updated with the Design Development and Construction Document submittals. A final as-built BOD document must be completed following
building occupancy and the designers must provide training to the owner's operating staff on the BOD document.

The next step, during the Design Development Phase, is developing detailed specifications for TAB requirements, start-up procedures, and functional tests of HVAC components and systems.

In general the designer should at a minimum include the following commissioning processes in the project.

1. Specify and ensure proper start-up of HVAC components and systems, and functional testing to ensure that these components and systems are operating in conformance with the design requirements and the manufacturer's specifications.

2. Monitor the Testing, Adjusting and Balancing (TAB) to ensure that HVAC components and systems are operating at their specified capacities...airflow, water or steam flows, temperatures, etc. and follow proper TAB "set-up" procedures applicable to the designed operation.

3. Witness functional testing by the contractor to ensure components and systems respond to variations in imposed loads, etc. and that the component and system controls are operating properly. The result of function tests is to demonstrate that required environmental conditions are maintained under the full range anticipated load conditions. Functional tests must also prove that fire safety, life safety, and failure/backup interlocks operate as designed.

The installing contractor(s) is then charged with the responsibility for performing the specified test procedures, with witnessing by the designer, and reporting the results to the designers, with certification by all required contracting parties that the results are correct.

1.3 THIRD PARTY COMMISSIONING

If third party commissioning is determined to be necessary, the commissioning authority (CxA) should be retained as early as possible, preferably soon after the designers are selected, and be involved in discussions relating to energy performance and HVAC issues during the pre design phase. In all cases the CxA shall be under contract and involved in the commissioning process no later than the start of the Schematic Design process. The CxA must be an independent party, under contract to the owner and not be affiliated with either the design or construction team on the project.

The CxA must be a registered engineering firm in the State of North Carolina and the owner must select the CxA using a qualifications based selection process, similar to that used to retain other engineers. The following is a listing of the basic qualifications that a CxA should exhibit:

1. Has acted as the principal CxA for at least three projects of comparable size, type, and scope, with demonstrated experience in "total building" commissioning, including heating, ventilating, and air-conditioning (HVAC) systems; electrical power and lighting systems; data and communication systems; building envelope; and other specialized building systems.
2. Has extensive experience in the operation and troubleshooting of HVAC systems and components and direct digital control (DDC) systems.

3. Has at least five (5) years field experience in this type of work.

4. Knowledgeable in building operation and maintenance (O&M) and in O&M training; also knowledgeable in testing, adjusting and balancing (TAB) of air and water systems.

5. Knowledgeable in the requirements of the North Carolina State Building Code and other codes and standards related to building systems.

6. Experience in energy-efficient equipment design and control strategy optimization.

7. Has direct experience in monitoring and analyzing building systems operation using DDC control systems trending functions and stand-alone data logging.

8. Has excellent verbal and written communication skills. Has experience in writing commissioning specifications, particularly well-defined start-up and functional test procedures.

9. Is highly organized and able to work with designers, contractors, and owners.

10. CxA project members should have a bachelor’s degree in mechanical or electrical engineering. However, other technical training, past commissioning and field experience will be considered as a substitute. Certification as a Commissioning Professional or other like commissioning certification and membership in the Building Commissioning Association or similar commissioning organization is desired but not required.

Depending on the complexity of the project, the owner may want to negotiate the contract with the CxA in two parts. Part one of the contract starts at the beginning of design and ends upon completion of the project bidding process. After the scope and costs for the project are finalized, a second part of the contract would then be executed for the construction and occupancy phases of commissioning. The contract with the CxA typically is in the form of a Letter Agreement approved by the State Construction Office.

**The Commissioning Process and CxA Responsibilities:** In general, the following are the basic requirements for the commissioning process. Refer to ASHRAE Guideline 0-2005, The Commissioning Process, and ASHRAE Guideline 1.1-2007, HVAC&R Technical Requirements for The Commissioning Process for more detailed information.

1. **Design Phases:** The CxA will help develop the Owner’s Project Requirements (OPR) to ensure the OPR is complete and appropriate for the project. The OPR will be maintained and updated throughout the project. The CxA reviews Schematic Design, Design Development and Construction Documents. The CxA will submit to the design team for inclusion in the Design and Construction Documents draft commissioning specifications for the systems to be commissioned. The CxA may provide examples of start up and functional tests typical of those to be used in the project, to help inform potential contractors of the testing assistance required during the construction phase of the project.
2. **Construction Phase**: The CxA efforts will include review of component and equipment submittals by contractors, review of systems to be commissioned, and review the contractor’s pre-functional/start-up check lists. The CxA will provide the project’s functional testing procedures, validate the TAB effort, and lead functional acceptance testing of commissioned systems. The CxA will also review and approve training agendas, O&M manuals, and project as-built documentation. Functional testing must be completed satisfactorily prior to final acceptance of the project.

3. **Occupancy and Operations Phase**: The CxA will perform opposite seasonal testing, coordinate a 10-month warranty review, and may participate with the owner in collecting building data for the 12-month measurement and verification of energy performance. The CxA will deliver a complete Cx systems manual to the owner.

**Designer Commissioning Responsibilities**: The design team members will participate in the commissioning team. The designer will be responsible for providing the Basis of Design (BOD) document. The BOD document should be developed and provided during the Schematic Design, and updated with the Design Development and Construction Document submittals. A final as-built BOD document will be completed following building occupancy and the designers will provide training to the owner’s operating staff on the BOD document.

**Owner Commissioning Responsibilities**: To help ensure that the commissioning process is successful requires active participation by the owner in the commissioning process. A representative of the owner who will be involved in the operations and maintenance of the building shall participate in the design, construction and occupancy phases of the commissioning process. The owner’s assigned project planning/ design staff and the Capital Project Coordinator will also participate in all commissioning phases.

To ensure the project budget is sufficient to support third party commissioning, it is recommended that the following commissioning cost guidance be incorporated into the budget:

### Systems Commissioning:

<table>
<thead>
<tr>
<th>System(s)</th>
<th>Approximate Commissioning Cost (Percent of Total Systems Cost)</th>
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<tbody>
<tr>
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<tr>
<td>HVAC, Controls, and Electrical</td>
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### Whole Building Commissioning:

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<th>Project Complexity</th>
<th>Approximate Commissioning Cost (Percent of Total Construction Cost)</th>
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<tr>
<td>Very</td>
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</tbody>
</table>
RULES IMPLEMENTING MEDIATED SETTLEMENT CONFERENCES IN NORTH CAROLINA PUBLIC CONSTRUCTION PROJECTS

Adopted
February 26, 2002

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   B. Initiating the Dispute Resolution Process.

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   B. Nomination and Court Approval of a Non-Certified Mediator.
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   E. Disqualification of Mediator.

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   D. Recesses.
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   A. Attendance.
   B. Finalizing Agreement.
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7. Mediator Certification

8. Rule Making

9. Definitions

10. Time Limits
RULE 1. INITIATING MEDIATED SETTLEMENT CONFERENCES

A. Purpose of Mandatory Settlement Conferences. Pursuant to G.S. 143-128(g) 143-135.26(11), these Rules are promulgated to implement a system of settlement events which are designated to focus the parties’ attention on settlement rather than on claim preparation and to provide a structured opportunity for settlement negotiations to take place. Nothing herein is intended to limit or prevent the parties from engaging in settlement procedures voluntarily at any time prior to or during commencement of the dispute resolution process.

B. Initiating the Dispute Resolution Process
   1) Any party to a public construction contract governed by Article 8, Ch. 143 of the General Statutes and identified in G.S. 143-128(g) and who is a party to a dispute arising out of the construction process in which the amount in controversy is at least $15,000 may submit a written request to the public owner for mediation of the dispute.
   2) Prior to submission of a written request for mediation to the public owner, the parties requesting mediation,
      a) If a prime contractor, must have first submitted its claim to the Project Designer for review as set forth in Exhibit A. If the dispute is not resolved through the Project Designer’s instructions, then the dispute becomes ripe for mediation in the Formal Dispute Resolution Process, and the party may submit his written request for mediation to the public owner.
      b) If the party requesting mediation is a subcontractor, it must first have submitted its claim for mediation to the prime contractor with whom it has a contract. If the dispute is not resolved through the Prime Contractor’s involvement, then the dispute becomes ripe for mediation in the Formal Dispute Resolution Process, and the party may submit its written request for mediation to the public owner.
      c) If the party requesting mediation is the Project Designer, then it must first submit its claim to the public owner to resolve. If the dispute is not resolved with the public owner’s involvement, then the Project Designers’ dispute is ripe for mediation in the Formal Dispute Resolution Process, and the Project Designer may submit its written request to the public owner for mediation.

RULE 2. SELECTION OF MEDIATOR

A. Selection of Certified Mediator by Agreement of the Parties. The parties may select a mediator certified pursuant to the Rules by agreement within 21 days of requesting mediation. The requesting party shall file with the State Construction Office (hereinafter collectively referred to as the “SCO”) or public owner if a non-State project a Notice of Selection of Mediator by Agreement within 10 days of the request; however, any party may file the notice. Such notice shall state the name, address and telephone number of the mediator selected; state the rate of compensation of the mediator; state that the mediator and opposing counsel have agreed upon the selection and rate of compensation; and state that the mediator is certified pursuant to these Rules.
B. **Nomination and Public Owner Approval of a Non-Certified Mediator.** The parties may select a mediator who does not meet the certification requirements of these rules but who, in the opinion of the parties and the SCO or public owner, is otherwise qualified by training or experience to mediate the action.

If the parties select a non-certified mediator, the requesting party shall file with the SCO a Nomination of Non-Certified Mediator within 10 days of the request. Such nomination shall state the name, address and telephone number of the mediator; state the training, experience or other qualifications of the mediator; state the rate of compensation of the mediator; and state that the mediator and opposing counsel have agreed upon the selection and rate of compensation.

The SCO or public owner shall rule on said nomination, shall approve or disapprove of the parties' nomination and shall notify the parties of its decision.

C. **Appointment of Mediator by the SCO.** If the parties cannot agree upon the selection of a mediator, the party or party's attorney shall so notify the SCO or public owner and request, on behalf of the parties, that the SCO or public owner appoint a mediator. The request for appointment must be filed within 10 days after request to mediate and shall state that the parties have had a full and frank discussion concerning the selection of a mediator and have been unable to agree. The request shall state whether any party prefers a certified attorney mediator, and if so, the SCO or public owner shall appoint a certified attorney mediator. If no preference is expressed, the SCO or public owner may appoint a certified attorney mediator or a certified non-attorney mediator.

D. **Mediator Information Directory.** To assist the parties in the selection of a mediator by agreement, the parties are free to utilize the list of certified mediators maintained in any county participating in the Superior Court Mediation Settlement Conference Program.

E. **Disqualification of Mediator.** Any party may request replacement of the mediator by the SCO or public owner for good cause. Nothing in this provision shall preclude mediators from disqualifying themselves.

**RULE 3. THE MEDIATED SETTLEMENT CONFERENCE**

A. **Where Conference is to be Held.** Unless all parties and the mediator otherwise agree, the mediated settlement conference shall be held in the county where the project is located. The mediator shall be responsible for reserving a place and making arrangements for the conference and for giving timely notice of the time and location of the conference to all attorneys, unrepresented parties and other persons and entities required to attend.

B. **When Conference is to be Held.** The deadline for completion of the mediation shall be not less than 30 days nor more than 60 days after the naming of the mediator.

C. **Request to Extend Deadline for Completion.** A party, or the mediator, may request the SCO or public owner to extend the deadline for completion of the conference. Such request shall state the reasons the extension is sought and
shall be served by the moving party upon the other parties and the mediator. If any party does not consent to the request, said party shall promptly communicate its objection to the SCO or public owner.

The SCO or public owner may grant the request by setting a new deadline for completion of the conference.

D. **Recesses.** The mediator may recess the conference at any time and may set times for reconvening. If the time for reconvening is set before the conference is recessed, no further notification is required for persons present at the conference.

E. **The mediated settlement conference shall not be cause for the delay of the construction project which is the focus of the dispute.**

RULE 4. DUTIES OF PARTIES AND OTHER PARTICIPANTS IN FORMAL DISPUTE RESOLUTION PROCESS

A. **Attendance.**
   1) All parties to the dispute originally presented to the Designer or Prime Contractor for initial resolution must attend the mediation. Failure of a party to a construction contract to attend the mediation will result in the public owner's withholding of monthly payment to that party until such party attends the mediation.
   2) Attendance shall constitute physical attendance, not by telephone or other electronic means. Any attendee on behalf of a party must have authority from that party to bind it to any agreement reached as a result of the mediation.
   3) Attorneys on behalf of parties may attend the mediation but are not required to do so.
   4) Sureties or insurance company representatives are not required to attend the mediation unless any monies paid or to be paid as a result of any agreement reached as a result of mediation require their presence or acquiescence. If such agreement or presence is required, then authorized representatives of the surety or insurance company must attend the mediation.

B. **Finalizing Agreement.** If an agreement is reached in the conference, parties to the agreement shall reduce its terms to writing and sign it along with their counsel.

C. **The mediation fee shall be paid in accordance with G.S. 143-128(g).**

D. **Failure to compensate mediator.** Any party's failure to compensate the mediators in accordance with G.S. 143-128(g) shall subject that party to a withholding of said amount of money from the party's monthly payment by the public owner.

Should the public owner fail to compensate the mediator, it shall hereby be subject to a civil cause of action from the mediator for the 1/3 portion of the mediator's total fee as required by G.S. 143-128(g).

RULE 5. AUTHORITY AND DUTIES OF MEDIATORS

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A. **Authority of Mediator.**

1) **Control of Conference.** The mediator shall at all times be in control of the conference and the procedures to be followed.

2) **Private Consultation.** The mediator may communicate privately with any participant or counsel prior to and during the conference. The fact that private communications have occurred with a participant shall be disclosed to all other participants at the beginning of the conference.

3) **Scheduling the Conference.** The mediator shall make a good faith effort to schedule the conference at a time that is convenient with the participants, attorneys and mediator. In the absence of agreement, the mediator shall select the date for the conference.

B. **Duties of Mediator.**

1) The mediator shall define and describe the following at the beginning of the conference:
   
a) The process of mediation;
   
b) The difference between mediation and other forms of conflict resolution;
   
c) The costs of the mediated settlement conference;
   
d) That the mediated settlement conference is not a trial, the mediator is not a judge, and the parties retain their legal rights if they do not reach settlement;
   
e) The circumstances under which the mediator may meet and communicate privately with any of the parties or with any other person;
   
f) Whether and under what conditions communications with the mediator will be held in confidence during the conference;
   
g) The inadmissibility of conduct and statements as provided by G.S. 7A-38.1(1);
   
h) The duties and responsibilities of the mediator and the participants; and
   
i) That any agreement reached will be reached by mutual consent.

2) **Disclosure.** The mediator has a duty to be impartial and to advise all participants of any circumstance bearing on possible bias, prejudice or partiality.

3) **Declaring Impasse.** It is the duty of the mediator timely to determine that an impasse exists and that the conference should end.

4) **Reporting Results of Conference.** The mediator shall report to the SCO or public owner within 10 days of the conference whether or not an agreement was reached by the parties. If an agreement was reached, the report shall state the nature of said agreement. The mediator's report shall inform the SCO or public owner of the absence of any party known to the mediator to have been absent from the mediated settlement conference without permission. The SCO or public owner may require the mediator to provide statistical data for evaluation of the mediated settlement conference program.

5) **Scheduling and Holding the Conference.** It is the duty of the mediator to schedule the conference and conduct it prior to the deadline of completion set by the rules. Deadlines for completion of the conference shall be strictly observed by the mediator unless said time limit is changed by a written order of the SCO or public owner.

**RULE 6. COMPENSATION OF THE MEDIATOR**
A. **By Agreement.** When the mediator is stipulated by the parties, compensation shall be as agreed upon between the parties and the mediator provided that the provision of G.S. 143-128(g) are observed.

B. **By Appointment.** When the mediator is appointed by the SCO or public owner, the parties shall compensate the mediator for mediation services at the rate in accordance with the rate charged for Superior Court mediation. The parties shall also pay to the mediator a one-time per case administrative rate in accordance with the rate charged for Superior Court mediation, which is due upon appointment.

**RULE 7. MEDIATOR CERTIFICATION.**

All mediators certified in the Formal Dispute Resolution Program shall be properly certified in accordance with the rules certifying mediators in Superior Court in North Carolina. *When selecting mediators, the parties may designate a preference for mediators with a background in construction law or public construction contracting. Such requirements, while preferred, are not mandatory under these rules.

All mediators chosen must either demonstrate they are certified in accordance with the Rules Implementing Scheduled Mediated Settlement Conference in Superior Court or must gain the consent of the SCO or public owner to mediate any dispute in accordance with these rules.

* Except when otherwise allowed by the SCO or public owner upon the request of the parties to the mediation.

**RULE 8. RULE MAKING**

These Rules are subject to amendment by rule making by the State Building Commission.

These Rules are mandated for State projects when the contracting state entity has not otherwise adopted its own dispute resolution provision. These rules are optional for all other projects subject to Article 8, Ch. 143 of the General Statutes.

**RULE 9. DEFINITIONS**

When the phrase “SCO or public owner” is used in these rules, “SCO” shall apply to state projects, “public owner” shall apply to non-state public projects.

**RULE 10. TIME LIMITS**

On state contracts, any time limit provided for by these Rules may be waived or extended by the SCO for good cause shown.

On non-state contracts, any time limit provided for by these Rules may be waived or extended by the mediator it appoints for good cause shown. If the mediator has not yet been appointed, the designer of record shall decide all waivers or extensions of time for good cause shown.
Exhibit A

DISPUTE RESOLUTION

STATE PROJECTS

- CONTRACT SIGNED (RIGHTS TO DISPUTE RESOLUTION BEGINS)
  - DISPUTE GOES TO DESIGNER (CLAIM FROM PRIME CONTRACTOR)
    - (7 DAYS)
      - PROJECT PROCEEDS UNDER PROTEST
        - REJECT
        - ALLOW
        - COMPROMISE
        - ADDITIONAL INFORMATION
          - DESIGNER MAKES FINAL RECOMMENDATION TO OWNER
            - APPROVES RECOMMENDATION
              - DISPUTE RESOLVED
            - DISAPPROVES RECOMMENDATION
              - DISPUTE RESOLUTION BEGINS
                - FORMAL DISPUTE RESOLUTION PROCESS BEGINS
                  - MEDIATION
                    - ARBITRATION (OR)
                      - G.S. 143-135.3 (b)
                      - G.S. 143-134.2
                    - LITIGATION
                      - LITIGATION
                        - DISPUTE RESOLVED

- "b" CLAIM
  - G.S. 143-135.3 (b)
  - MEDIATION (SCC)
  - NON-BINDING ARBITRATION (OPTIONAL) (DUKE PAC)
    - "c" CLAIM
      - G.S. 143-35.3 (c)
        - LITIGATION
          - DISPUTE RESOLVED

MEDIATION
- RULES IMPLEMENTING MEDIATED SETTLEMENT CONFERENCES NORTH CAROLINA PUBLIC CONSTRUCTION PROJECTS
- AS AMENDED BY STATE BUILDING COMMISSION (PLACED IN THE SPECIFICATIONS OC-58)

/26/02
Dispute Resolution

Non-State / Public Projects

Contract Signed

Dispute goes to Designer (Claim from Prime Contractor) (AIA 10 days)
Project proceeds under protest
Reject Allow Compromise Additional Information

Designer makes final recommendation to owner

Resolved Dispute Resolution begins

Mediation

Rules implementing Mediated settlement conferences North Carolina Public Construction Projects

As amended by State Building Commission (placed in the specifications OC-58)

Mediation

Non-binding or Binding Arbitration

Litigation

Dispute resolution
North Carolina
State Construction Office

PROJECT APPROVAL AUTHORIZATION
FINAL INSPECTION FOR OWNER OCCUPANCY:

Project: ____________________________________________

SCO Identification Number: ___________ Contract Completion Date: ______

Project Owning Agency: ____________________________________________

Owning Agency's Requester: ___________________________ Date: _____________

Designer's Statement:
____________________________ (Designer of Project) provides information to the
owner and the State Construction Office that the project has been evaluated
and field inspected to assure that construction meets contract requirements
for final inspection to allow occupancy by the owning agency.

____________________________
Designer's Representative Signature

Project Description: ____________________________________________

____________________________

BACK-UP DATA:
CONTRACTORS' APPROVAL DOCUMENTS:

Contractor's statement of completion
with request for designer's inspection: Date ______ N/A □

Designer's Pre-final Punch List Inspection with
copies provided to the Owning Agency and State
Construction Office: Date ______ N/A □

Designer provides the Owning Agency and the
State Construction Office verification the punchlist
has been completed: Date ______ N/A □

Scheduled Final Inspection by designer
accompanied by the Owning Agency and the
State Construction Office Date ______ N/A □

SCO Electrical Inspection (Certificate of
Electrical Completion): Date ______ N/A □

SCO (Rev. 02/25/10)

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Certificate of Occupancy by Local Authority
Having Jurisdiction: (Community College) Date _______ N/A □

Installer’s Fire Alarm System Record of Completion (Certification) as required by NFPA 72: Date _______ N/A □

Installer’s Sprinkler System Record of Material and Test Reports as required by:
- NFPA 13-(Sprinkler Systems) Date _______ N/A □
- NFPA 14-(Standpipe and Hose Systems) Date _______ N/A □
- NFPA 20-(Centrifugal Fire Pumps) Date _______ N/A □
- NFPA 22-(Water Tanks for Private Fire Protection) Date _______ N/A □
- NFPA 24-(Private Fire Service Mains) Date _______ N/A □
- Other: SCO Approval Letter Sprinkler System Date _______ N/A □

Designer’s Inspection to Assure Life Safety Construction involving Fire Protection Systems
(Fire Alarm, Sprinkler, etc.), egress, fire rated walls and egress travel distances are constructed in accordance with contract documents: Date _______ N/A □

Dept. of Labor Approval for Elevator: Date _______ N/A □

Dept. of Labor Approval for Boiler & Pressure Vessels: Date _______ N/A □

Engr’s. Verification Letter Fire Damper Operation Date _______ N/A □

Health Dept. Inspection and Acceptance for Use: Date _______ N/A □

Domestic Water Test Report and Acceptance for Use: Date _______ N/A □

Laboratory Hood Certification: Date _______ N/A □

Engineer’s Approval of Test & Balance Report (TAB) Date _______ N/A □

Engineer’s Approval Battery Powered Emer. Devices Date _______ N/A □

Engineer’s Approval Emergency Generator Load Test Date _______ N/A □

Engineer’s Approval Electrical Svc Grnd Test Rpt Date _______ N/A □

Backflow Preventer Certification Date _______ N/A □

Engineer’s Approval Stair/Ramp Survey Date _______ N/A □

Engineer’s Approval Site Survey (DENR) Date _______ N/A □

Metal Building Manufacturer’s Warranty Date _______ N/A □

Roofing Manufacturer’s Warranty Date _______ N/A □

Commissioning Engineer’s Approval Date _______ N/A □

Lightning Protection UL Master Label Date _______ N/A □

SCO (Rev. 02/25/10)
Special Inspector’s Final Report/Resolutions
Dept. of Agriculture Approval for Fuel Tanks:
Owner’s Assumption of Responsibility for Maintenance, Heat, Utilities, and Insurance. Comments: __________________________
Established Date for Guarantees and Warranties. Comments: __________________________
Cancellation of Contractors’ Insurance Carriers Public Liability, Property Damage and Builders’ Risk)

Designer’s Approval: Date: ______ Signature: __________________________
SCO Approval: Date: ______ Signature: __________________________
SCO (Rev. 02/25/10)
North Carolina
State Construction Office

PROJECT APPROVAL AUTHORIZATION
PARTIAL UTILIZATION: (BENEFICIAL OCCUPANCY)

Project: ________________________________

SCO Identification Number: ________________ Contract Completion Date: ______

Project Owning Agency: ________________________________

Owning Agency’s Requester: __________________________ Date: ______________

Designer’s Statement:

(Designer of Project) provides information to the owner and the State Construction Office that the project has been evaluated and field inspected to assure that construction meets contract requirements for partial utilization and/or occupancy by the owning agency.

Designer’s Representative Signature

Project Description: ________________________________

Project Partial Utilization Description: ________________________________

BACK-UP DATA:
CONTRACTOR’S APPROVAL DOCUMENTS:

General Construction Contractor’s Approval: Date ______ N/A □
Electrical Construction Contractor’s Approval: Date ______ N/A □
Mechanical Construction Contractor’s Approval: Date ______ N/A □
Plumbing Construction Contractor’s Approval: Date ______ N/A □
Sprinkler Installation Contractor’s Approval: Date ______ N/A □
Asbestos Removal Contractor’s Approval: Date ______ N/A □
Other: __________________________ Date ______ N/A □
Other: __________________________ Date ______ N/A □
Other: __________________________ Date ______ N/A □

Certificate of Occupancy by Local Authority Having Jurisdiction (Community College): Date ______ N/A □
Beneficial Occupancy Inspection:
Date ______ N/A □

Beneficial Occupancy Punch List to be completed:
Date ______ N/A □

Owner's Assumption of Responsibility for Maintenance, Heat, Utilities and Insurance.
Comments: ________________________________
Date ______ N/A □

Established Date for Guarantees and Warranties.
Comments: ________________________________
Date ______ N/A □

Consent of Surety:
Date ______ N/A □

Insurance Company Permitting Occupancy:
Date ______ N/A □

SCO Electrical Inspection (Certificate of Electrical Completion):
Date ______ N/A □

Installer's Fire Alarm System Record of Completion (Certification) as required by NFPA 72:
Date ______ N/A □

Installer's Sprinkler System Material and Test Reports as required by:
NFPA 13-(Sprinkler Systems) Date ______ N/A □
NFPA 14-(Standpipe and Hose Systems) Date ______ N/A □
NFPA 20-(Centrifugal Fire Pumps) Date ______ N/A □
NFPA 22-(Water Tanks for Private Fire Protection) Date ______ N/A □
NFPA 24-(Private Fire Service Mains) Date ______ N/A □

Other: SCO Approval Letter Sprinkler System Date ______ N/A □

Engineer's Approval of Battery Powered Emerg. Devices Date ______ N/A □

Engineer's Approval Emergency Generator Load Test Date ______ N/A □

Engineer's Approval Electrical Serv Ground Test Report Date ______ N/A □

Dept. of Labor Approval for Elevator:
Date ______ N/A □

Dept. of Labor Approval for Boiler & Pressure Vessels:
Date ______ N/A □

Dept. of Agriculture Approval for Fuel Tanks:
Date ______ N/A □

Health Dept. Inspection and Acceptance for Use:
Date ______ N/A □

Domestic Water Test Report and Acceptance for Use:
Date ______ N/A □

Laboratory Hood Certification:
Date ______ N/A □

Engineer's Approval of Test and Balance Report (TAB) Date ______ N/A □

Engr's. Verification Letter Fire Damper Operation Date ______ N/A □

Agreement & Means for Separation of Owner Occupied Area from Construction Work Area:
Date ______ N/A □
Designer's Inspection to Assure Life Safety
Construction involving Fire Protection Systems
(Fire Alarm, Sprinkler, etc.), egress, fire rated walls and egress travel distances
are constructed in accordance with contract documents:

Backflow Preventer Certification
Date ______ N/A □

Engineer's Approval Stair/Ramp Survey
Date ______ N/A □

Engineer's Approval Site Survey (DENR)
Date ______ N/A □

Metal Building Manufacturer’s Warranty
Date ______ N/A □

Roofing Manufacturer’s Warranty
Date ______ N/A □

Commissioning Engineer’s Approval
Date ______ N/A □

Lightning Protection UL Master Label
Date ______ N/A □

Special Inspector’s Final Report/Resolutions
Date ______ N/A □

Designer's Approval: Date: ______ Signature: ________________________________

Owning Agency Approval: Date: ______ Signature: ________________________________

SCO Approval: Date: ______ Signature: ________________________________

Rev.(4/23/10)
### Designer Evaluations [19 records found]

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DESIGNER EVALUATION

State Construction Office File
ID#: 110932401 A
Project Title and Location: Manning Substation Upgrade
Package Title: Manning Substation Upgrade

Code and Item:.

Designer Email: bpetterson@aeieng.com
Updated By: jschuett@aeieng.com
Updated On: 2013-05-20 08:03:00.0

Report Summary
Due Date:.
Preliminary Report to Vendor:.
Report Type:.
Final Grade: 0.0

Status: PENDING
Final Report to Vendor:.
Recommend?:
Evaluators:.

RATING MATRIX
54 items found, displaying 1 to 50.[First/Prev] 1, 2 [Next/Last]

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<th>Score</th>
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<td>The Designer assisted the Owner in defining a preliminary Project Budget Schedule that identified milestone design and construction delivery dates</td>
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<td>Programming &amp; Advance Planning</td>
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<td>The Designer provided a detailed space program that identified primary users and spaces, including</td>
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<tr>
<td>Programming &amp; Advance Planning</td>
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<td>Facilities Condition Assessment Recommendations</td>
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<td>Programming &amp; Advance Planning</td>
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<td>The Designer included any special requirements relating to regulatory restraints, physical characteristics, historic or environmental issues, site constraints, etc...</td>
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<tr>
<td>Programming &amp; Advance Planning</td>
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<td>The Designer includes any special requirements from the Owner’s guidelines for energy conservation, sustainable design and construction, life cycle cost evaluations, hazardous materials, etc...</td>
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<tr>
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<td>The Designer provided easily understood and well illustrated design concepts that meet the Owner’s goals, project budget and requirements of the Building Code and program requirements.</td>
<td>0.0</td>
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<tr>
<td>Schematic Design</td>
<td>2</td>
<td>The Designer prepared for and documented project meetings, arranged for site surveys, subsurface investigation and coordinated the work of consultants.</td>
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<tr>
<td>Schematic Design</td>
<td>3</td>
<td>The Designer worked in cooperation with the Owner to adjust the scope of the project (if required) to meet the limit of the project budget. The Designer provided project deliverables required for the SD Phase (SCM Section 306); provided documents of appropriate quality, accuracy and clarity, and secured written approval of the SD phase from the Owner, SOC and DOI (if applicable).</td>
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<td>The Design Team worked with the Owner to recommend and incorporate appropriate building systems and conformance with building codes and regulatory requirements.</td>
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<td>Design Development</td>
<td>2</td>
<td>The Designer prepared for and documented project meetings and coordinated the work of consultants.</td>
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<td>Design Development</td>
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<td>The Designer worked in cooperation with the Owner to provide alternatives to adjust the scope of the project (if required) to meet the limit of the project budget. The Designer provided project deliverables required for the DD Phase (SCM Section 307); provided documents of appropriate quality, accuracy and clarity, and secured written approval of the DD Design phase from the Owner, SOC and DOI.</td>
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<td>Construction Documents</td>
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<td>1</td>
<td>Drawings and specs were coordinated and prepared with clarity and adequate detail to describe the scope of work, quality, conformance to building codes to effectively facilitate bidding and construction.</td>
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237
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<td>Construction Documents</td>
<td>3</td>
<td>The Statement of Probable Cost prepared at this phase came within the budget including the stipulated contingency amount.</td>
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<td>Construction Documents</td>
<td>4</td>
<td>The Designer provided project deliverables required for the CD Phase (SCM Section 308) provided documents of appropriate quality, accuracy, and clarity, and secured written approval of the CD Design phase from the Owner, SCO and DOI.</td>
<td>0.0</td>
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<tr>
<td>Construction Documents</td>
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<td>The Designer filed documents with the governing authorities having jurisdiction over the project in a professional and timely manner and follow-up was provided to secure written approval of the CD design phase.</td>
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<td>Bidding &amp; Negotiations</td>
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<tr>
<td>Bidding &amp; Negotiations</td>
<td>1</td>
<td>Advertising and Notice to Bidders were prepared in compliance with SCO and NC Statute requirements in a timely, cost effective manner.</td>
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<td>Bidding &amp; Negotiations</td>
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<td>The Designer conducted the pre bid meeting with proficiency, answering questions and explaining SCO and NC General Statute requirements.</td>
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<td>Bidding &amp; Negotiations</td>
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<td>Addes were issued in compliance with SCO Manual requirements.</td>
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<td>Bidding &amp; Negotiations</td>
<td>4</td>
<td>The Designer worked with the owner to enhance HUB participation and included required HUB Documents.</td>
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<td>Bidding &amp; Negotiations</td>
<td>5</td>
<td>The Designer conducted the bid opening in compliance with SCO and NC General Statute requirements.</td>
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<tr>
<td>Bidding &amp; Negotiations</td>
<td>6</td>
<td>The statement of probable construction cost and subsequent lowest qualified and bonafide bids complied with SCO Manual requirements and Article 5 of the Design Contract.</td>
<td>0.0</td>
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<tr>
<td>Bidding &amp; Negotiations</td>
<td>7</td>
<td>The Designer prepared bid tabulation and award recommendation documentation in compliance with SCO and NC Statute requirements.</td>
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<tr>
<td>Bidding &amp; Negotiations</td>
<td>8</td>
<td>The Designer worked with the owner and agency having jurisdiction to file contracts and document with the appropriate State agencies and in compliance with SCO and NC Statute requirements.</td>
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<td>Construction Administration</td>
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<td>The pre-construction conference reviewed SCO requirements and pertinent project specific requirements.</td>
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<td>Notice to Proceed was issued in a timely manner.</td>
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<tr>
<td>Construction Administration</td>
<td>3</td>
<td>Appropriate construction observations to monitor compliance with plans and specifications were provided by Designer or qualified representative of Designer’s firm as well as the appropriate Design Consultants per Article 14 of the Contract requirements and SCO manual.</td>
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<tr>
<td>Construction Administration</td>
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<td>Designers and consultants were present at the monthly meetings, prepared Progress Reports, Field Reports and meeting minutes according to requirements of the SCO manual and contract documents.</td>
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<td>Shop Drawings were reviewed and processed according to SCO manual requirements and contract documents and in a timely manner.</td>
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<td>Progress payments were reviewed and certified according to the SCO manual requirements and contract documents and in a timely manner.</td>
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<td>Designer reviewed and issued change orders in accordance with SCO manual requirements and contract documents in a timely manner.</td>
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<td>Construction Administration</td>
<td>8</td>
<td>Project communications (i.e. RFIs, Clarifications, Field Orders &amp; Directives, Bulletin Drawings, etc.) were reviewed and processed in an appropriate and responsive manner.</td>
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<td>Construction Administration</td>
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<td>Construction Claims were reviewed and processed according to SCO manual requirements and in an appropriate and responsive manner.</td>
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<td>Construction Administration</td>
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<td>Designer prepared and completed Partial Utilization: Beneficial Occupancy forms in compliance with SCO requirements and contract documents.</td>
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<td>Construction Administration</td>
<td>11</td>
<td>Design scheduled and conducted Pre-Final and Final inspection walk through in accordance with SCO manual requirements.</td>
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<td>Construction Administration</td>
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<td>Designer certified in writing that punch lists had been completed and/or Owner was notified of any issues of Contractor non-compliance.</td>
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<td>Record Documents and Final Report</td>
<td>1</td>
<td>Designer completed and furnished to the Owner Project Record Documents and final report in accordance with the requirements of the SCO manual.</td>
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<td>Record Documents and Final Report</td>
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<td>Designer completed and furnished to the Owner required documents for final contractor payment approval.</td>
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<td>Each individual consultant worked cooperatively with and positively supported the collective performance of the Design Team.</td>
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<td>Other Professional</td>
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<td>The Designer's overall management was effective with respect to the</td>
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<td>The Designer's overall management was effective with respect to the</td>
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<td>Services</td>
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**Export options:** [Excel](#)
DESIGNER EVALUATION

State Construction Office File
ID#: 110932401 A
Project Title and Location: Manning Substation Upgrade
Package Title: Manning Substation Upgrade

Code and Item::

Designer Email:: bpetterson@aeieng.com
          + jschuett@aeieng.com

Updated By::
Updated On:: 2013-05-20 08:03:00.0

Report Summary
Due Date::
Preliminary Report to Vendor::
Report Type::
Final Grade: 0.0

Status:: PENDING
Final Report to Vendor::
Recommend ?:
Evaluator::

RATING MATRIX
54 items found, displaying 51 to 54. [First/Prev] 1, 2 [Next/Last]

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<td>Communications with the Capital Project Coordinator and Owner Project Representatives were effective and consistent throughout the project.</td>
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<td>The performance of the A/E team overall was timely and professional.</td>
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<td>In Projects requiring multiple Architectural Firms, each firm within the Team performed their responsibilities in a professional manner.</td>
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<td>Other Professional Services</td>
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<td>In projects requiring CM@R, the designers performed their responsibilities as required for this delivery method in a professional manner.</td>
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Export options: Excel

Comments
Attachments
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<th>Due Date</th>
<th>Agency</th>
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<th>Rating</th>
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<td>Carolina North - Hangar Replacement</td>
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<td>2009-04-18</td>
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<td>000521903</td>
<td>5219</td>
<td><a href="mailto:awu@facilities.unc.edu">awu@facilities.unc.edu</a></td>
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<td>UNC Chapel Hill</td>
<td>000527401</td>
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<td>Medical School Wing C &amp; Old Clinic HVAC &amp; Window Replacement</td>
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<td>UNC Chapel Hill</td>
<td>030676201</td>
<td>6762</td>
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<td>UNC Chapel Hill</td>
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<td>Upper &amp; Lower Quad Halls - Sprinkler Systems</td>
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<td>060698701</td>
<td>6987</td>
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</tbody>
</table>
CONTRACTOR EVALUATION

Evaluation is ACCEPTED. Only comments are allowed.

J Project Summary
Contractor Name and Address: Archer Western Contractors, LTD
Morrisville, NC 27560
Owning Agency or University: UNC Chapel Hill
Owner's Representative: Name and Title of CPC: Anna A. Wu - Director of Facilities Planning
CPC email: sstone@fac.unc.edu

J Report Summary
Due Date: 2011-08-20
Status: ACCEPTED
*Report Type: Interim * Final

J RATING SECTION
INSTRUCTIONS:
Instructions for completion of this form are outlined in the State Building Commission Contractor Evaluation Procedures.
These procedures should be reviewed prior to completing the evaluation.
Additional help is also available via the HELP button in the upper right corner of this page.
OVERALL RATING: EXCELLENT - The contractor performance rating on this project is excellent.
In addition, a Certificate of Merit nomination may be made to the State Building Commission. Nominations are reviewed by the State Construction Office and State Building Commission and presented at the annual Construction Conference. You must attach a nomination letter to this evaluation using the Attachments section below.
Would you like to nominate this Contractor for a Certificate of Merit Award? No ✔
- ACCEPTABLE - The contractor performance rating on this project is acceptable.
- UNACCEPTABLE - The contractor performance rating on this project is unacceptable.
It is recommended that the State Construction Office convene a hearing per the procedures outlined in Section 322-A of the State Construction Manual.
You must attach supporting documentation using the Attachments feature below.

J WORKFLOW ACTIVITY - current workflow step is highlighted
Step Action Role Organization User Completed On Disposition Comments
1 CREATE SCO St. Construction cpierce 2011-09-07 15:08 Submitted Autocompleted
2 SUBMIT OWNER UNC Chapel Hill cpierce 2011-09-07 15:08 Submitted Autocompleted
3 ACCEPT SCO St. Construction cpierce 2011-09-07 15:08 Submitted Autocompleted

Attachments
ATTACH FILE
Upload Date Type File Name Description User

Comments
Add Comment
Date Comment User
2011-09-07 15:... Submit cpierce
2011-09-07 15:... Save cpierce
# State Building Commission Contractor Evaluation Form for Informal Projects

<table>
<thead>
<tr>
<th>Question</th>
<th>Evaluation Category</th>
<th>Relative Importance</th>
<th>Rating</th>
<th>Score earned</th>
<th>Construction Contract Reference</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Did the contractor manage the submittal process for all submittals required by the project specifications in a timely and effective manner?</td>
<td>5</td>
<td>0</td>
<td>0</td>
<td>GC Article 5</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Did the contractor cooperate with other contractors, the designers and the owner's representative?</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>GC Article 8</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Did the contractor maintain qualified and effective supervision and personnel at the project site?</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>GC Article 8</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Did the contractor have a construction quality control plan in place at the site and execute the plan in compliance with contract documents, drawings and specifications?</td>
<td>4</td>
<td>0</td>
<td>0</td>
<td>GC Articles 5, 8</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Did the contractor manage contract changes effectively and efficiently?</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>GC Article 13</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Did the contractor effectively plan, implement, coordinate and execute the project work in a timely fashion?</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>Supplemental General Conditions</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Did the contractor close out the project in an effective manner including timely correction of any punch list items and submission of required &quot;as-built&quot; marked up construction documents, warranties and other required documentation?</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>GC Articles 7, 20</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Did the contractor implement the MHR participation contract requirements effectively?</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>GC Article 24</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Did the contractor manage the construction site including safety, cleanliness, orderliness of the site, logistics and staff decorum?</td>
<td>2</td>
<td>0</td>
<td>0</td>
<td>GC Articles 18, 19</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Did the contractor make payments to subcontractors and suppliers in a timely manner?</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>GC Articles 11, 12</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Did the contractor process contracts and payment requests as indicated in the contract?</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>SG&amp;Es</td>
<td></td>
</tr>
</tbody>
</table>

**Overall Score Earned:**

| Relative Value | 100 |

*Form Released Date*
# Final Inspection Process

## A. Preliminary Inspection
1. Contractor/Centennial notifies designer – work complete.
2. Designer conducts preliminary inspection of work:
   - a. Designer lists incomplete or faulty work.
   - b. Contractor/Centennial completes or corrects all such work listed before final inspection.
   - c. Contractor/Centennial notifies designer - work completed ready for final inspection (see C)

Note: Owner/designer/contractor must communicate and work closely together in this process.

## B. Partial Utilization/Beneficial Occupancy
1. Owner wants to utilize a portion of the project prior to full completion:
   - a. Owner must get State Construction Office approval, and;
   - b. Owner must get contractor/Centennial and surety consent.
2. Designer schedules inspection of portion of project, (see A above and C below for inspection process).
3. Designer certifies that portion of project passes issuing a Certificate of Substantial Completion showing:
   - a. date of substantial completion,
   - b. list of items to be completed or corrected before final payment,
   - c. responsibility for maintenance, utilities, insurance for occupied section of project,
   - d. date of warranties,
   - e. consent of surety,
   - f. endorsement from insurance co. permitting occupancy.
4. If only portion of project inspected and determined substantially complete, then
   - a. Contractor not necessarily relieved of liquidated damages for project,
   - b. Designer can prorate liquidated damages due to beneficial occupancy,
   - c. Contractor allowed to have access to occupied portion of project to correct work or bring work into compliance.
   - d. Contractor not assessed liquidated damages if whole project is substantially complete.

## C. Final Inspection
1. Contractor/Centennial notifies designer that work is complete/corrected.
2. Designer conducts final inspection of work with appropriate parties present; certifies the following:
   - a. Project is completed and accepted; (if so, move to final payment application in II);
   - b. Project is accepted subject to list of discrepancies, (see project accepted subject to "Punch List")
   - c. Project is not complete and final inspection rescheduled for later date (repeat process C).
3. Project is accepted subject to "Punch List"
   - a. Contractor/Centennial complete/correct items in punch list within 30 days of issuance or owner can take over work

Contractor/Centennial, owner, designer meet weekly for punch list tracking and completion. Contractor/Centennial
reviews punchlist and assigns to responsible party.

b. Move to final payment process, Section II.

4 Significance of date designer accepts work:
   a. Warranties and guarantee begin to run;
   b. Contractor's insurance coverage terminates;
   c. Owner takes over utilities;
   d. No liquidated damages may be assessed beyond the date of acceptance.

II. FINAL PAYMENT PROCESS

A. Confirm Readiness for Final Payment
   1 Contractor/CM submits application for final payment to Designer.
   2 Designer rejects application if:
      a. Work not complete; including punch list and all change orders
      b. Faulty work not corrected;
      c. Close out documents not provided with application.

3 a. Contractor/CM submits appropriate affidavits
    b. Contractor/CM submits appropriate completion certificate
    c. Contractor/CM submits appropriate surety approval of final payment

B. Review Close Out Documents for Completion
   1 As-built drawings;
   2 Any required certificate of inspection required by law;
      Lists all state agencies having inspections jurisdiction over construction projects.
      Example: Division of Facility Services has inspections jurisdiction over all health care delivery facilities.
      The State Construction Manual may be found at: www.nc-sco.com/manual
   3 Warranty/Guarantee documentation;
   4 Operating and Maintenance manuals;
   5 Maintenance Agreements;
   6 Keys, codes, stock material, etc.;
   7 Record of Owner's equip. training;
   8 Record of inspections discrepancies if any;
   9 Minority contractor reporting info. and breakdown by contract amounts.

<table>
<thead>
<tr>
<th>Contractual Provision</th>
<th>Form to be Used</th>
</tr>
</thead>
<tbody>
<tr>
<td>Art25(f)</td>
<td></td>
</tr>
<tr>
<td>Art.32</td>
<td></td>
</tr>
<tr>
<td>Art.26; Art. 33(a)</td>
<td></td>
</tr>
<tr>
<td>Art. 32(f)</td>
<td></td>
</tr>
<tr>
<td>Art. 32 (e) (2)</td>
<td>Contractor's Affidavit of Payment of Debts and Claims, Contractor's Affidavits of and (3) Release of Liens Certificate of Compliance</td>
</tr>
<tr>
<td>Art 32 (e) (4)</td>
<td>Consent of Surety to Final Payment</td>
</tr>
<tr>
<td>Art.32(d)(1)</td>
<td></td>
</tr>
<tr>
<td>Art.32(d); 33(e)(5)</td>
<td></td>
</tr>
<tr>
<td>Art.32(d)(1)</td>
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<tr>
<td>Art.32(d)(1)</td>
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<td>Art.32(d)(1)</td>
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<td>Art.32(d)(2)</td>
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<td>Art.32(d)(3)</td>
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<tr>
<td>Art.32(d)(4)</td>
<td></td>
</tr>
<tr>
<td>Art.32(e)(1)</td>
<td></td>
</tr>
</tbody>
</table>
### Close-Out Check List 7-06

**Contractual Provision** | **Form to be Used**
---|---
| Art.32(f) | Final Report Checklist (for designer) |
| Certificate of Compliance | |
| Final Report Checklist | |

#### III. ADDITIONAL REQUIREMENTS/PROCESSES

**A. Internal Notifications**
- Notify institution’s Parking, Physical Plant, Insurance/Risk Management, Public Safety, Environmental Health and Safety and other offices as appropriate of building occupancy and expectation for their services to commence

**B. State Property Notifications**
- Complete property forms for submission to State Property Office and DOI Risk Management Office

**C. Evaluations**
- Complete and submit designer and contractor evaluation forms

**D. Space Inventory**
- Complete space inventory forms for submission to NC Higher Education Facilities Inventory

**E. Bond Project Forms**
- For bond projects, complete the final report form

**F. Close Accounts**
1. Close CAPSTAT code/item and archive the account
2. Close related FRS account as appropriate
3. Close code/item with Office of State Budget and Management
   - To close an entire code, review the BD725 to ensure there is no amount in the "Total Unallotted" or "Total Allotment Balance" columns for every project within the code
   - Resolve discrepancies between CAPSTAT, NC Accounting System (NCAS)/Banner
   - Request code closing of OSBM via e-mail to the institution's assigned budget analyst

**IV. CLAIMS PROCESS**
### A. Money Withheld from CM for Final Payment

1. Architect assesses liquidated damages (Art. 33).
   - a. **Formula:** \textit{no. of days late} x **rate** of LD = owner's delay damages.
   - b. **Rate** of LD cannot be a penalty but must fairly compensate owner for delay.
   - c. **No. of days late** should be supported by critical path analysis.

2. Faulty work and/or punch list work not completed by Contractor/CM.
   \textit{Art. 33(a)(1)}

3. Work completed by owner or another contractor and balance due to Contractor/CM upon completion.
   \textit{Art. 33(a)(2); Art. 28 & 29}

4. Sec. of Admin. determines that subcontractors have not been paid.
   \textit{Art. 33(b)}

5. Sec. of Admin. determines that claim has been or will be filed against the Contractor/CM.
   \textit{Art. 33(b)}

### B. Basis for Claim

1. Money is withheld from Contractor/CM during project and not paid as part of final payment
   \textit{G.S. 143-135.3; Art. 20}

2. Extra cost incurred during project which is requested per change order but not paid to Contractor/CM
   \textit{G.S. 143-135.3; Art. 21}

### C. Claims Process

1. Contractor/CM submits claims to Designer, and if denied, to the Director, Office of State Construction.
   \textit{Art. 20; G.S. 143-135.3}
   - a. **Deadline:** Sixty (60) days after final payment or
   - b. Sixty days after Architect notifies Contractor/CM that final payment is all he gets.

2. Notices of claims due to extra costs or time extensions must be preserved through prior notice.
   \textit{Art. 23(e)}.
   - a. Time extensions
   - b. Extra costs

3. Claim is heard by Director, compromised and settled or decided.
   - a. Director decides, and contractor/CM not happy with decision, then
   - b. Contractor/CM files claim \textit{de novo} with Office of Administrative Hearings, or
   - c. Contractor/CM file a summons and complaint in Superior Court within deadlines given in G.S. 143-135.3.
DOA - State Property Office & DOI - Risk Management
Property Reporting Form
(Dual Reporting for DOA and DOI)

<table>
<thead>
<tr>
<th>Department or University</th>
<th>Division</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department/Division #</td>
<td>Complex #</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Building Name</th>
<th>Street Address</th>
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</thead>
<tbody>
<tr>
<td>City</td>
<td>County Zip Code</td>
</tr>
<tr>
<td>(Please provide zip code for the building location, not for the mailing address)</td>
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<table>
<thead>
<tr>
<th>Your Name</th>
<th>Phone # ( )</th>
<th>Ext</th>
<th>Email</th>
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<table>
<thead>
<tr>
<th>New Building</th>
<th>□ Acquisition</th>
<th>□ Renovation</th>
<th>□ Addition</th>
<th>□ Lease</th>
<th>□ Demolished</th>
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<tbody>
<tr>
<td>(Check appropriate category. If more than one category is checked, please explain)</td>
<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>New Building:</th>
<th>Date Accepted by State</th>
<th>Year Constructed</th>
<th>Construction Cost $</th>
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</thead>
<tbody>
<tr>
<td>Acquisition:</td>
<td>Date of Acquisition</td>
<td>Year Constructed</td>
<td>Acquisition Cost $</td>
</tr>
<tr>
<td>Method of Acquisition</td>
<td>(check method)</td>
<td>Construction</td>
<td>Purchase</td>
</tr>
<tr>
<td>Renovation:</td>
<td>Date of Acceptance</td>
<td>(m/d/y)</td>
<td>Renovation Cost</td>
</tr>
<tr>
<td>Renovation Type:</td>
<td>(check type)</td>
<td>Add space</td>
<td>Reduce Space</td>
</tr>
<tr>
<td>Increased Gross Sq. Ft.</td>
<td></td>
<td></td>
<td>Decreased Gross Sq. Ft.</td>
</tr>
<tr>
<td>Increased Net Sq. Ft.</td>
<td></td>
<td></td>
<td>Decreased Net Sq. Ft.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Main Use(s) of Building</th>
</tr>
</thead>
<tbody>
<tr>
<td>(e.g., office, dormitory, automobile maintenance, furniture storage, produce sales, laboratory, etc.)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Building Occupants</th>
</tr>
</thead>
</table>

|---------------|-------------|--------------------------------------|-------------|

<table>
<thead>
<tr>
<th>Total # of Floors</th>
<th>Floors Above Ground</th>
<th>Floors Below Ground</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Fire Alarm:</th>
<th>Yes □ No □</th>
<th>Fire Sprinkler System:</th>
<th>Yes □ No □</th>
<th>Flood Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>(e.g., A, A1, B, C, V, X, etc.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Fire Department or Fire District (providing primary response)</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Heat System</th>
<th>Forced Air □</th>
<th>Steam □</th>
<th>Hot Water □</th>
<th>Resist □</th>
<th>None □</th>
<th>Space Heater □</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Heating Fuel</th>
<th>Electric □</th>
<th>Gas □</th>
<th>Fuel Oil □</th>
<th>Coal □</th>
<th>Wood □</th>
<th>Solar □</th>
<th>Other □</th>
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<table>
<thead>
<tr>
<th>A/C System</th>
<th>Chiller □</th>
<th>Central □</th>
<th>Window □</th>
<th>None □</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Roof Construction</th>
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</table>

<table>
<thead>
<tr>
<th>Floor Construction</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Exterior Wall Construction</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Insurance Coverage</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Dept/Div #</th>
<th>Coverage For (Bldg or Conts)</th>
<th>Funding (Gen. or Spec.)</th>
<th>Type of Coverage (Fire, EC, VMM, &quot;All Risk&quot;(Special), &quot;All Risk&quot; (Computers/Misc), etc.)</th>
<th>Replacement Value ($)</th>
</tr>
</thead>
</table>

Send a copy to DOA - State Property Office & DOI - Risk Management
Dept. of Administration - State Property Office, 1321 Mail Service Center, Raleigh, NC 27699-1321 or e-mail: John.Cox@doa.nc.gov
Dept. of Insurance – Risk Management Division, P. O. Box 26387, Raleigh, NC 27611-6387 or e-mail: Pat.Howell@ncdoi.gov
Miscellaneous/What ifs?

Building Committees

Designer’s/Professional Insurance

Energy/Sustainability

Hazardous Materials Removal
   Asbestos
   Lead Paint
   Underground Storage Tanks

LEED

Permitting
   Air
   Effluents
   Stormwater
   Wetlands

Renewable Energy Projects

Sales and Use Tax Reports/Returns

State Building Commission

Zoning
   Historical Properties

??????
PROFESSIONAL LIABILITY INSURANCE

The State of North Carolina does not require projects designers (architects and/or engineers) to carry professional liability insurance. Most designers do carry such insurance, but there are some designers who do not. If a campus desires (through a request of their Administration or Board of Trustees) that campus project designers carry professional liability insurance, such a requirement may be added in Article 14 of the project design agreement. The following is a sample of an insurance requirement that was included in UNC-Chapel Hill design agreements a number of years ago at the request of the Board of trustees:

The Designer and his professional consultants as listed in Article 13 of this document (and their replacements and substitutes) agree to provide and maintain professional liability insurance from the date of this document until three (3) years after final completion and acceptance of this project. This insurance shall provide protection from claims arising from errors and omissions in the project plans and specifications made by the Designer, his consultants and/or their employees and shall provide coverage in an amount of not less than $100,000 per claim for the Designer and for each of his consultants. Certificates of Insurance shall be provided to the Owner upon request.

Caution: A high level of professional liability insurance coverage will be prohibitively expensive and/or may not be available. If the campus does require such insurance, the matter should be explored and considered as a part of the designer selection process.

GR257

6/22/2011
The University of North Carolina Sustainability Policy

The University of North Carolina ("The University") is committed to leading the State of North Carolina as an environmental steward that endeavors to proactively and effectively manage its impact on energy, water and other natural resources. Further, The University is obligated to ensure full compliance with all applicable local, state, and federal environmental laws and regulations. Therefore, it is the policy of The University’s Board of Governors (the “Board”) that The University, including General Administration, the constituent institutions, and affiliated entities, shall establish sustainable development and resource management, or “sustainability” as a core value of institutional operations, planning, capital construction, and purchasing practices.

Budgetary constraints, capital improvement and modernization requirements, and training and management needs required to facilitate the implementation of these sustainable practices are limiting factors and, as such, the University’s General Administration, in collaboration with the constituent institutions and affiliated entities, shall pursue the appropriate enabling legislation and funding to implement this policy. The Board recognizes that the goals of this policy range from short-term to long-term and adds further emphasis on the importance of the aspirational nature of the highest ideals of sustainability. In addition, the Board values Return on Investment (ROI) as a factor in institutional resource planning and decision making and requires an ROI calculation for any new project.

The Board delegates authority to the President to implement the following sustainable practices to apply to each constituent institution and, when appropriate, General Administration and affiliated entities:

**Systematic Integration of Sustainability Principles:** Systematically incorporate sustainability throughout the institution by integrating the policy goals into the institution’s processes, administration, teaching, research, and engagement. Each constituent institution and affiliated entity and General Administration shall designate an appropriate individual to serve as “Chief Sustainability Officer” to be responsible for implementation of this policy.

**Master Planning:** Sustainability principles related to infrastructure, natural resources, site development, and community impact shall be incorporated into comprehensive master plans.

**Design and Construction:** Capital project planning and construction processes shall meet statutory energy and water efficiency requirements and deliver energy, water, and materials efficient buildings and grounds that minimize the impact on and/or enhance the site and provide good indoor environmental quality for occupants.

**Operations and Maintenance:** The operation and maintenance of buildings and grounds shall meet or exceed statutory requirements to reduce energy and water use, provide excellent air quality and comfort, improve productivity of faculty, staff and students, and minimize materials use. Further, priority shall be given to the purchase and installation of high-efficiency equipment and facilities as part of an ongoing sustainability action plan following life cycle cost guidelines where applicable.

**Climate Change Mitigation and Renewable Energy:** The University shall develop a plan to become carbon neutral as soon as practicable and by 2050 at the latest, with an ultimate goal of climate neutrality.

**Transportation:** The University shall develop and implement a comprehensive, multimodal transportation plan designed to reduce carbon emissions and dependency on single occupant vehicles.

**Recycling and Waste Management:** The University shall develop policies and programs that work toward achieving zero waste and will comply with the provisions of NC General Statutes 130A-309.14 regarding recycling and waste management.
Environmentally Preferable Purchasing (EPP): Any purchasing shall, to the extent practicable, improve the environmental performance of its supply chain with consideration given to toxicity, recycled content, energy and water efficiency, rapidly renewable resources, and local production and shall also improve the social performance of its supply chain with consideration given to working conditions and historically underutilized businesses.

The President shall develop and implement best practices, guidelines, and implementation plans necessary to achieve the goals of this policy to the constituent institutions and affiliated entities. This policy shall be reviewed every two (2) years by the President, and any necessary revisions and modifications shall be recommended to the Board for its consideration.
THE UNIVERSITY OF NORTH CAROLINA
AT
CHAPEL HILL

SAMPLE ENVIRONMENTAL ASSESSMENT & FONSI

Chrys Baggett, Director
State Clearinghouse
North Carolina Department of Administration
116 W. Jones Street
Raleigh, North Carolina 27603-8003

Re: Rams Head Center
(Formally Named: RamsHead Parking Lot Development)
The University of North Carolina at Chapel Hill
ID# 990440502

Dear Ms. Baggett:

The enclosed statements consist of the Environmental Assessment and FONSI for the construction of the Rams Head Center for The University of North Carolina at Chapel Hill. Sixteen copies are included for your review.

Project Title: Rams Head Center
The University of North Carolina at Chapel Hill
ID# 990440502

Responsible State Agency: The University of North Carolina at Chapel Hill
Anna A. Wu, AIA
Director, Facilities Planning
Campus Box #1090
Chapel Hill, NC 27599-1090

Richard L. Miller, Ph.D.
Environmental Affairs Manager
Environmental Health and Safety
Campus Box #1650
Chapel Hill, NC 27599-1650

Cooperating Agencies: Division of State Construction
North Carolina Department of Administration

Please contact me if you should require any additional information or clarification

Sincerely,

Enclosures
ENVIRONMENTAL ASSESSMENT AND
FINDING OF NO SIGNIFICANT IMPACT

A. Proposed Project Description:

The proposed project is envisioned as a multi-use facility consisting of a three-story parking deck, a grocery store, and a recreation and dining facility housed in two separate structures on top of the parking deck. In addition, the top of the parking deck will also feature a large open landscaped plaza.

The site is located in the center of the Carolina campus, next to the existing Kenan Stadium, just west of Ridge Road. The project site, which is now a paved parking lot, is located south of Hill Alumni Center, east of Kenan Stadium, north of Morrison Residence Hall, and west of Ehringhaus Field. The site slopes steeply up to the south and southwest direction. The slope up to the west and north direction is less steep. This lot is approximately 20 feet below Kenan Field. The slopes surrounding the existing parking lot are moderately wooded to the north and west, and more heavily wooded to the south. There are minimal numbers of trees within the parking lot. The parking lot currently has 398 parking spaces.

As part of this project, Ehringhaus Field, an existing athletic playing field across Ridge Road will be converted to temporary parking facility during the construction of the Rams Head Center. As the Rams Head Center parking deck becomes available, the field will be converted back to an athletic playing field with a stormwater infiltration facility below the playing surface. Ehringhaus Field is bordered by on the north, south and east by a moderately dense number of trees.

The project building site is approximately 4.7 acres. The Ehringhaus Field is 2.6 acres.

B. Purpose and Need for Proposed Project:

The University of North Carolina at Chapel Hill is proposing to build this multi-use facility to alleviate the existing shortage of student dining and recreation facilities on south campus. In addition, anticipated increase in the student housing on south campus will compound the existing problem. As the campus undergoes an increase in development, existing surface parking lots will be converted to building sites and open space. Where site conditions allow, parking will be combined with buildings to replace lost spaces and accommodate minimal growth in parking.

The University of North Carolina is proposing to build a three-story parking deck for approximately 700 vehicles. The grocery store will occupy approximately 10,000 square feet of space on the second floor of the parking deck. The 650-seat Dining facility is primarily a single story structure of approximately 26,000 square feet with a separate sports café on the mezzanine of approximately 10,000 square feet. The Recreation facility is a two-story structure of approximately 45,000 square feet. The large open plaza area is approximately 38,000 square feet with a joining smaller plaza of approximately 12,000 square feet.

Ehringhaus Field is located across Ridge Road from the Rams Head Center. The field will be used as a temporary parking facility during the construction of the Rams Head Center. The gravel parking lot with wheel stops will house 210 vehicles. At the time that the field will be converted back to a playing field, a stormwater infiltration bed will be constructed below the field surface and connected to the stream on the south side of the field.

C. Alternatives Analysis

This site was chosen due to its location between student housing on south campus and academic building on north campus. This facility will provide the needed dining and recreation amenities to students living within walking distance of the facility. The campus master plan identified the site as an appropriate location for this type of multi-use facility. Pedestrian bridges to the open plaza created above the parking deck will make the physical connection from the two areas of the campus more accessible.
D. Existing Environmental Characteristics of Project Area:

1. **Topography:**
The proposed building will be located in the existing Rams Head Parking Lot, which slopes from north to south at 8% grade and west to east at 5% grade. The Ehringhaus Field site is relatively flat except along Ridge Road where a short steep slope is encountered up to the road. The site is located within the Piedmont Physiographic and Geologic Province of North Carolina.

2. **Soil:**
Geotechnical subsurface explorations of the Rams Head Center have determined that the proposed building can be supported on a shallow foundation system. Considerable amount of unsuitable fill exists on the site and will be removed. Current soils boring indicate fill depth of up to 14' – 6". Boulder fill was also encountered throughout the site. Weathered and partially weathered rock exists about the periphery of the existing parking lot, mostly beneath the wooded slopes. Excavation of this material will be required primary on the north and west slopes, with some excavation occurring on the south slope as well. Some of this excavation may require blasting. Ground water was found to be very high along the bottom of the west and southwest slopes. Springs exist on the south side of the site.

The field exploration program consisted of drilling twelve soil borings drilled to a maximum depth of 33.0 feet below the existing ground surface with Standard Penetration Tests performed at 2.5 foot interval to 10.0 feet deep followed by one at every 5.0 feet interval.

Based on these results, the subsurface materials of the project site can be described as consisting of the following units of soil:

a. **Pavement and Topsoil:** The surface material consists of mostly pavement with 2.0 to 4.0 inches of topsoil containing organic soil and roots covering small portion of the site.

b. **Fill:** Up to 14.5 feet of sandy-silty soil is found in the general area of Boring B-2, 5, 8 and 11. This same fill soil may exist elsewhere to a deeper depth. Most of the fill is loose and wet and is unsuitable to provide structural support.

c. **Alluvium:** Alluvium deposits are not found in the boreholes. However, it may exist in some of the original low areas.

d. **Silty-Sandy Soil:** This is the natural soil and is found in all twelve (12) borings. It contains firm to dense, silty-sand, natural residual soils derive from the weathering of the parent rocks. It extends from a few feet to over 15.0 feet below the existing ground surface. Some of the soil in this unit of material may contain boulders at shallow depth.

e. **Weathered Rock:** The next unit of subsurface material at the project site is the weathered rock which occurs below the above soil overburden. As indicated in the “Boring Logs”, the depth of this very hard material occurs at relatively deep depth in most of the borings except in B-3 where it occurs at 12.2 feet deep or elevation 408.0 MSL.

f. **Partially Weathered Rock and/or Boulders:** Some of the weathered rock becomes much harder with depth and is classified as partially weathered rock. For this project, the partially weathered rock is defined as very hard, rock-like material having an N value of 50 blows over one inch or less. The difference between weathered rock and partially weathered rock can be small and may vary erratically from place to place and in depth.

g. **Auger Refusal:** Unweathered bedrock or large boulders represented by auger refusal material was encountered in B-1, 2, 3, 5, 6, 7 and 8 at the depth shown on the logs. However, hard rock ledges and/or large boulders may exist in shallower depth elsewhere.
h. **Rock Coring**: Rock coring was performed in B-3, 5, and 6 by an NQ wireline. The percent recovery and the Rock Quality Designation (RQD) which is a length of all rock cores 4.0 inches or longer divided by the total length of the rock cored are shown on the logs. The results of rock coring indicate that the bedrock is heavily jointed and fractured, especially in the B-5 where the RQD value is only 3%.

i. **Groundwater**: Groundwater was encountered in the boreholes of B-2, 3, 6 and 9. The water table observed in B-2 and 9 is very high. Some of the soil samples obtained at shallow depths were moist containing the rainwater trapped in the overburden soil layers above the imperious hard soil or weathered rock. Springs probably exist somewhere on site. The overburden soil can become much wetter during the raining season.

3. **Land Use**: The site is currently developed as a surface parking lot. Some of the existing underground utility lines will be relocated. A major steam and chilled water line will be routed through the parking deck to complete a planned campus utility loop. The campus is zoned Office Institutional - 4.

4. **Wetlands**: No wetlands are identified on this site as documented on digital data obtained from the National Wetlands Inventory Map published by the U.S. Fish and Wildlife Service, range from 2/71 – 12/92.

5. **Prime or Unique Agricultural Lands**: The site is zoned Office Institution – 4 and is not designated for agricultural use.

6. **Public Lands and Scenic, Recreational, and State Natural Areas**: This project will not impact any public lands, scenic, recreational, or State natural areas.

7. **Areas of Archaeological or Historical Value**: The University’s records show that there are no archaeological sites in the vicinity of this project.

8. **Air Quality**: There are no current sources of emissions or odors associated with the site.

9. **Noise Levels**: Current noise level on the site complies with the Town of Chapel Hill Noise Ordinance.

10. **Water Resources (Surface Water and Groundwater)**: The project site is located in the protected watershed area for Jordan Lake. Jordan Lake has a freshwater designation of Class WS-IV. For purposes of watershed protection review, the University property in the Jordan Lake water shed was divided into property north of US 15-501 Bypass and property south of US 15-501 Bypass. *(Watershed Protection Report for the Properties of The University of North Carolina at Chapel Hill, prepared on August 2, 1993.)* The proposed site lies in the University property north of the US 15-501 Bypass.

This project will be located on top of the existing RamsHead Parking Lot, which is underlain by a buried tributary of the Meeting of the Waters Creek. Historic campus maps from 1920 show the stream valley that was filled to construct Kenan Stadium and the current parking area. The creek is contained in a reinforced concrete pipe and conveys the drainage from upstream campus area, including approximately 60 acres of impervious building and road area. Additionally, there are springs that are located on the hillside to the south which discharge to a separate, smaller stormwater pipe beneath the parking area. There is also a high water table on the west side of the site as indicated by the core boring samples. Because the project is set in a valley, it will receive the stormwater runoff from the adjacent hillside.

11. **Forest Resources**: There are naturally occurring trees that surround the existing parking lot. Existing pine and hardwood trees on the edges of the site and trees that are in the utility corridor (between Kenan Field House and Hill Alumni Center) will be removed. Trees that remain on site will be protected during construction.
12. Shellfish or Fish and their Habitats:
There are no shellfish beds or fish habitats at or near the site.

13. Wildlife and Natural Vegetation:
This site is in the middle of the University campus. There are no known threatened or endangered species in the project area.

E. Predicted Environmental Effects of Projects

1. Topography:
The existing topography will be reworked by the project development.

2. Soils:
Suitable soil that is disturbed or moved during the re-grading of the site will be utilized on site. Soil will not be contaminated by building use or construction process.

3. Land Use:
The land use for the building for the Rams Head Center is consistent with the campus master plan for the University. The land is currently zoned Office Institutional - 4.

4. Wetlands:
There are no jurisdictional wetlands on site to be impacted by project activities.

5. Prime or Unique Agricultural Lands:
The site has not been cleared or developed for agricultural use.

6. Public Lands and Scenic, Recreational, and State Natural Areas:
No public lands, scenic, recreational or state natural areas will be impacted by project activities.

7. Areas of Archaeological or Historical Value:
The University’s records show that there are not archaeological site in the vicinity of this project.

8. Air Quality:
This project will not negatively impact the existing air quality.

9. Noise Levels:
This building will comply with the Town of Chapel Hill Noise Ordinance.

10. Water Resources (Surface Water and Groundwater):
As part of the Development Plan approved by the Town of Chapel Hill, the University is taking a proactive approach to stormwater management issue on campus. The University is committed to:
   - No increase in the volume of runoff leaving the main campus for all future development projects.
   - No increase in the rate of runoff or the quality of non-point source pollutants as a result of new development.
   - An overall decrease in the volume of stormwater runoff, the rate of runoff, and the amount of non-point source pollutants leaving the campus as compared to the existing conditions.

As part of the stormwater management, Ehringhaus Field will be converted to a temporary parking facility during the construction of the Rams Head Center. When the building project is completed, a permanent stormwater infiltration bed will be placed under the field, which then will be used for student athletic playing field. In addition, a portions of the existing underground stormwater structure at Ehringhaus Field will be removed and the stormwater routed to the surface and directed into a new stream channel. The stream will flow back into an existing catch basin at the north end of the field. An additional stormwater retention area will be constructed below the open plaza located on top of the parking deck. This stormwater storage structure will retain the water for the plaza’s landscape planting material. Cisterns that collect runoff from the rooftops will also supply water to the irrigation system. The erosion
and sediment control for this project will comply with the NC State Regulations for erosion and sediment control. A soil and erosion control permit application will be submitted to NCDENR. This project will be accompanied by measures to mitigate stormwater impacts (quantity and quality) that will result from this development.

11. **Forest Resources**:
The existing site has some pine and hardwood trees that will be removed. This site is in the heart of the University Campus and is not in a forested area.

12. **Shellfish or Fish and their Habitats**:
There are not any shellfish beds or fish habitats at or near the site.

13. **Wildlife and Natural Vegetation**:
This site is in the middle of the University campus. There are no known threatened or endangered species in the project area.

14. **Introduction of toxic substances**:
No toxic substances will be introduced by project activities.

F. **Mitigative Measures**:

2. **Soil**:
Based on the existing soil conditions, the best foundation system is a shallow foundation system. The footings will be supported on either the hard soil or the weathered rock or on new, suitable structural fill.

The project site will be cleared of all existing surface features such as pavement, debris, concrete, topsoil, etc. Any existing fill and backfill will be used only as yard fill. The natural, residual soil and weathered rock to be excavated will be stockpiled or reused as controlled, structural fill. Any clay soil with high plasticity and all boulders larger than 6.0 inches in any dimension will be wasted off site or used only as yard fill.

Dewatering measures such as trenching and sump pump will be installed to keep the construction site dry. The grading operation will not begin until the surface water control measures are installed.

10. **Water Resources (Surface Water and Groundwater)**:
Stormwater drainage from the north side of the Rams Head Center is currently discharged through a series of underground pipes beneath the site. After construction, this water will instead be discharge to the stormwater infiltration bed beneath Ehringhaus Field. This represents approximately 7 acres of drainage area, which will be diverted and managed in addition to the Rams Head Center. The stormwater from the south side of Rams Head Center as well as the stormwater from upstream storm sewer will be intercepted and the foundation drains and groundwater springs, will be diverted to a small, created stream channel in Ehringhaus Field with overflow to the stormwater storage/infiltration bed. This area represents approximately 10 acres of drainage area that will be managed in Ehringhaus Field.

G. **References**
Not Applicable

H. **Exhibits**

1. Soil Boring Map
2. Location Map
3. Topographical Map

I. **State and Federal Permits Required**

1. Soil and Erosion Control Permit from DENR.
Energy & Sustainability

The University of North Carolina is committed to leading the State of North Carolina as an environmental steward and in addressing the state’s energy and environmental challenges. Sustainability is a core value supported by the Board of Governors’ Sustainability Policy. Click on the categories at left for additional information.

Third-Party Financed Renewable Energy Projects

Many UNC campuses are interested in third-party financed renewable energy projects, such as the installation of solar thermal panels to provide hot water for residence hall use. Renewable energy tax credits provide an opportunity for investors that may benefit campuses.

Representatives of the State Energy Office, UNC-General Administration, the UNC School of Government, and NC State University have been working to develop and document a process to support campuses in pursuit of these renewable energy opportunities. Draft processes and template documents are being provided for input from the larger community of prospective users, including campuses, subject-matter experts, renewable developers, and prospective investors. Revisions/additional information was posted 4/22/2013.

Please click here to review any or all of the draft documents and e-mail your feedback to renewable_energy@northcarolina.edu.
Sales and Use Tax Refunds on Capital Projects

- State Controller’s Office, Tax Section, receives contractor sales tax statements
- Using contractor sales tax statements, campus prepares form E-585E, “State Agency Claim for Refund – County Sales and Use Taxes” and files quarterly
- Reported sales and use tax amounts are usually allocated back to the counties involved
- If the sales tax was funded from a federal source, such as a contract or grant, form E-585, “Nonprofit and Governmental Entity Claim for Refund – State and County Sales and Use Taxes” is filed and the sales tax refund is credited back to the capital project that originated the expenditure

MDT
8/8/2011
Contact Lists

UNC General Administration

UNC Institutions

HUB Coordinators

Sustainability and Energy Contacts

SCO Contacts

Web Sites

<table>
<thead>
<tr>
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North Carolina

North Carolina Administrative Code

North Carolina Building Codes

Department of Environment and Natural Resources

Purchase and Contract

State Budget and Management

State Budget Manual

State Environmental Review Clearinghouse

State Construction

State Construction Manual

State HUB Office

State Property Office

UNC (system-wide site)

UNC Design and Construction

http://www.ncgov.com/

http://reports.oah.state.nc.us/ncaec.asp

http://www.ncdoi.com/OSFM/Engineering_and_Codes.aspx

http://www.ncdenr.gov

http://www.doa.state.nc.us/pandc/index.htm

http://www.osbm.state.nc.us/


http://www.doa.state.nc.us/clearing/


http://www.doa.nc.gov/hub/default.aspx

http://www.doa.state.nc.us/spo/

http://www.northcarolina.edu/

http://www.northcarolina.edu/info/vendors/index.htm
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8/5/2013
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12/17/2012
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<td>Kenny Hunt</td>
<td>919-605-3637</td>
<td><a href="mailto:kenneth.hunt@doa.nc.gov">kenneth.hunt@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Ross Wood</td>
<td>919-410-2796</td>
<td><a href="mailto:ross.wood@doa.nc.gov">ross.wood@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Tom Roberts</td>
<td>919-524-4593</td>
<td><a href="mailto:tom.roberts@doa.nc.gov">tom.roberts@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Steve Lipke</td>
<td>919-410-2451</td>
<td><a href="mailto:steven.lipke@doa.nc.gov">steven.lipke@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Armin Wallner</td>
<td>919-605-2270</td>
<td><a href="mailto:armin.wallner@doa.nc.gov">armin.wallner@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Tim Norman</td>
<td>919-605-8153</td>
<td><a href="mailto:tim.norman@doa.nc.gov">tim.norman@doa.nc.gov</a></td>
</tr>
</tbody>
</table>

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## DESIGN AND CONSTRUCTION SERVICES

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Phone Number</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assistant Director</td>
<td>Cindy Register</td>
<td>919-807-4136</td>
<td><a href="mailto:cindy.browning@doa.nc.gov">cindy.browning@doa.nc.gov</a></td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>VACANT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Managers</td>
<td>Hany Botros, PE</td>
<td>919-807-4130</td>
<td><a href="mailto:hany.botros@doa.nc.gov">hany.botros@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Dalton Holmes</td>
<td>919-807-4133</td>
<td><a href="mailto:dalton.holmes@doa.nc.gov">dalton.holmes@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Robert Talley, Jr., PE</td>
<td>919-807-4125</td>
<td><a href="mailto:robert.talley@doa.nc.gov">robert.talley@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Fady Wahby</td>
<td>919-807-4132</td>
<td><a href="mailto:fady.wahby@doa.nc.gov">fady.wahby@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Bill Sessions</td>
<td>919-807-4141</td>
<td><a href="mailto:bill.sessoms@doa.nc.gov">bill.sessoms@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Ken Vendel</td>
<td>919-807-4116</td>
<td><a href="mailto:kenneth.vendel@doa.nc.gov">kenneth.vendel@doa.nc.gov</a></td>
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<tr>
<td></td>
<td>VACANT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical Inspectors</td>
<td>Jesse Ferrell</td>
<td>919-605-6690</td>
<td><a href="mailto:jesse.ferrell@doa.nc.gov">jesse.ferrell@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Mike Ward</td>
<td>919-605-9001</td>
<td><a href="mailto:mike.ward@doa.nc.gov">mike.ward@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Stanley Frazier</td>
<td>919-208-0057</td>
<td><a href="mailto:stanley.frazier@doa.nc.gov">stanley.frazier@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>David Souther</td>
<td>919-807-4100</td>
<td><a href="mailto:david.souther@doa.nc.gov">david.souther@doa.nc.gov</a></td>
</tr>
<tr>
<td></td>
<td>Jeffrey Hinkle</td>
<td>919-807-4100</td>
<td><a href="mailto:jeffrey.hinkle@doa.nc.gov">jeffrey.hinkle@doa.nc.gov</a></td>
</tr>
<tr>
<td>Design Contracts</td>
<td>Ryan Scruggs</td>
<td>919-807-4098</td>
<td><a href="mailto:ryan.scruggs@doa.nc.gov">ryan.scruggs@doa.nc.gov</a></td>
</tr>
<tr>
<td>Construction Contracts</td>
<td>Bill Murchison, PE</td>
<td>919-807-4115</td>
<td><a href="mailto:bill.murchison@doa.nc.gov">bill.murchison@doa.nc.gov</a></td>
</tr>
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<table>
<thead>
<tr>
<th>Contact</th>
<th>Email</th>
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<tbody>
<tr>
<td>General Email</td>
<td><a href="mailto:sco@doa.nc.gov">sco@doa.nc.gov</a></td>
</tr>
<tr>
<td>Final Reports</td>
<td><a href="mailto:scofinalreports@doa.nc.gov">scofinalreports@doa.nc.gov</a></td>
</tr>
<tr>
<td>IPS Ad Requests</td>
<td><a href="mailto:scoads@doa.nc.gov">scoads@doa.nc.gov</a></td>
</tr>
</tbody>
</table>
Forms

1) CI-1 – Request for Capital Projects
2) OC-25 Project Estimate
3) State Design Agreement – Projects Over $2M (First page only, see SCO web site to confirm current version)
4) UNC Design Agreement – Projects between $500,000 and $2M
5) UNC Design Supplement
6) UNC Division 1 Template
7) Letter Agreement Format
8) Open-End Design Agreement Format
9) State General Conditions (OC-15) – Projects Over $2M (First page only, see SCO web site to confirm current version)
10) UNC General Conditions – Projects between $500,000 and $2M
11) Draft State General Conditions under CM at Risk (OC-15CM, see SCO web site to confirm current version)
12) Form of Proposal (See SCO web site to confirm current version)
13) Construction Contract (See SCO web site to confirm current version)
14) State HUB Forms – Projects over $2M (See SCO web site to confirm current version)
15) UNC HUB Forms – Projects between $300,000 and $2M
16) HUB Participation Certification
17) State Energy Services Agreement (See SEO web site to confirm current version)
18) Informal Standard Contract and General Conditions
19) State Property Office Property Reporting Form
The University of North Carolina
Request for New or Increase in Capital Improvement Project

Institution: ____________________________ Advance Planning Request: ______
Increase in Authorization from: $_______ to $__________
New Capital Project*: ______

Project Title: ____________________________________________________________

Project Cost: ____________________________________________________________

Source of Funds: _________________________________________________________

*If this project has previously had advance planning authority, please identify code/item number under which that authority is carried. Code___________ Item _____

For each advance planning project or capital construction project, please provide the following:

1. A detailed project description and justification:

2. An estimate of acquisition, planning, design, site development, construction, contingency and other related costs (Answer for capital construction only and include a completed OC-25 form)

3. An estimated schedule of cash flow requirements over the life of the project by FY quarters (Answer for capital construction only):

4. An estimated schedule for the completion of the project:

5. An estimate of maintenance and operating costs and source of funding to support these costs, including personnel, covering the first five years of operation (Answer for capital construction only):

6. An estimate of revenues, if any, likely to be derived from the project, covering the first five years of operation (Answer for capital construction only):

7. An explanation of the means of financing:

Revised 8-27-2012
CURRENT ESTIMATED CONSTRUCTION COST

<table>
<thead>
<tr>
<th>A. Land Requirement</th>
<th>QTY</th>
<th>UNIT</th>
<th>COST PER UNIT</th>
<th>TOTAL</th>
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<tbody>
<tr>
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<td></td>
<td></td>
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<table>
<thead>
<tr>
<th>B. Site Preparation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Demolition</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>2. Site Work</td>
</tr>
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<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>C. Construction</th>
<th>QTY</th>
<th>UNIT</th>
<th>COST PER UNIT</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Utility Services</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Building Construction (new space)</td>
<td></td>
<td></td>
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<tr>
<td>3. Building Construction (existing)</td>
<td></td>
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<tr>
<td>4. Plumbing (new space)</td>
<td></td>
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<tr>
<td>5. HVAC (new space)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>6. Electrical (Includes TV &amp; Radio Studio)</td>
<td></td>
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<tr>
<td>7. Fire Suppression and Alarm Systems</td>
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<tr>
<td>8. Telephone, Data, Video</td>
<td></td>
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<tr>
<td>9. Associated Construction Costs</td>
<td></td>
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<td>10. Other:</td>
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<table>
<thead>
<tr>
<th>D. Equipment</th>
<th>QTY</th>
<th>UNIT</th>
<th>COST PER UNIT</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>1. Fixed</td>
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<tr>
<td>2. Moveable</td>
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ESTIMATED CONSTRUCTION COSTS

Items below may be calculated by percentage or lump sum. If using lump sum, make entry in $ field.

| CONTINGENCIES   | %   | ($ of Estimated Construction Costs [3% New or 5% R&R] ) | $0  |
| DESIGN FEE      | %   | ($ of Estimated Construction Costs)                  | $0  |
| PRECONSTRUCTION COSTS | % | ($ of Estimated Construction Costs [1% for CM@Risk] ) | $0  |
| COMMISSIONING   | %   | (0.5% simple; 1.0% moderate; 1.5% complex)           | $0  |
| SPECIAL INSPECTIONS/MATERIALS | % | (1.25% estimated) | $0  |
| SUSTAINABILITY  | %   | (3% LEED Gold, 2% LEED Silver)                      | $0  |
|                  |     | Includes programming, feasibility, analysis         |     |
| ADVANCE PLANNING | %   | ($ of Estimated Construction Costs)                  | $0  |

ESTIMATED COSTS (% of Estimated Construction Costs + Contingencies + Design Fee)

Escalation = percent per month multiplied by number of months
(From Est. Date to mid-point of construction) = months
General Bldgs: 0-17 mos = 0%; 18-23 mos = 0.04%; 24-35 mos = 0.12%; 36-47 mos = 0.16%; 48-60 mos = 0.18%
Health Bldgs: 0.5 mos = 0.18% 6-11 mos = 0.22%; 12-17 mos = 0.26%; 18-23 mos = 0.3%; 24-35 mos = 0.33%; 36-47 mos = 0.36%; 48-60 mos = 0.38%

ESCALATION COST INCREASE (Total of Estimated Costs x Escalation %)  $0

TOTAL ESTIMATED PROJECT COSTS (Estimated Costs + Escalation Cost Increase)  $0

APPROVED BY: ________________________________  TITLE ________________________________  DATE ____________________________

(Governing Board or Agency Head)
<table>
<thead>
<tr>
<th>Item on Form</th>
<th>Definition/Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ESTIMATED CONSTRUCTION COST</td>
<td>Attach basis and justification for estimate. Include description, quantities, units, special</td>
</tr>
<tr>
<td>A. Land Requirement</td>
<td>Includes purchase and acquisition costs (title search, filing fees, other legal fees, etc.)</td>
</tr>
<tr>
<td>B. 1. Demolition</td>
<td>Includes but may not be limited to lead and/or asbestos testing and removal, building or interior space demolition in whole or part.</td>
</tr>
<tr>
<td>B. 2. Site Work</td>
<td>Includes but may not be limited to grading, excavating, poor soils and/or rock removal, utilities relocation, roads, walks, parking, stormwater management, retaining walls, rainwater harvesting systems, landscaping.</td>
</tr>
<tr>
<td>C. 1. Utility Services</td>
<td>Attach explanation of any special building, mechanical, or electrical service requirements with appropriate distance to existing buildings, water, gas, electrical or other utility service.</td>
</tr>
<tr>
<td>C. 9. Associated Construction Costs</td>
<td>Includes but may not be limited to construction fire alarm testing, utility shut downs, utilities, signage, security, displaced parking, staging, lock cores, keys, State Construction Office charges.</td>
</tr>
<tr>
<td>C. 10. Other</td>
<td>List other significant sources of cost not included elsewhere. Additional lines may be added if needed.</td>
</tr>
<tr>
<td>PRECONSTRUCTION COSTS</td>
<td>Includes but may not be limited to land surveys, lead/asbestos surveys, environmental assessments, copying, postage, costs of print advertising, and destructive testing. For CM at Risk, preconstruction costs are consistent with the requirements of the preconstruction services agreement.</td>
</tr>
<tr>
<td>CONTINGENCIES</td>
<td>Unanticipated or unforeseen conditions including but not limited to design error and omissions, concealed site conditions, utility conflicts, and extended overhead resulting from weather or other delay.</td>
</tr>
</tbody>
</table>
STATE OF NORTH CAROLINA
STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND DESIGNER

This AGREEMENT is made this _____ day of ____________ in the year ______________
between the State of North Carolina acting through __________ Owner and
_________________ hereinafter called the "Owner", and ______________ Design
Firm Name and Location ___________ hereinafter called the "Designer".

WITNESSETH, that whereas the Owner intends to construct a project with a scope consisting of
_________________ scope of project ____________, hereinafter called the "Project" for
which the following has been budgeted:

<table>
<thead>
<tr>
<th>Code</th>
<th>Item</th>
<th>File #</th>
<th>Total</th>
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</tr>
</tbody>
</table>

Total Project Construction Cost is not to exceed () $

Total Contingency Reserve is () $

Project Design Fee is () $

NOTE: See Article 14
STATE OF NORTH CAROLINA

THE BOARD OF GOVERNORS OF
THE UNIVERSITY OF NORTH CAROLINA

STANDARD FORM OF AGREEMENT
BETWEEN OWNER AND DESIGNER

CAPITAL PROJECTS COSTING LESS THAN $2,000,000

This AGREEMENT is made this (date) day of (month) in the year Two Thousand (year) between the State of North Carolina acting through (University) hereinafter called the Owner, and (design firm name) of (city, state) hereinafter called the Designer.

WITNESSETH, that whereas the Owner intends to construct a project with a scope consisting of: (project title) hereinafter called the Project for which the following has been budgeted:

Code: (number) Item: (number)

a. (Title/Brief Description) .................................................. $ (Budget Amount)
b. ........................................................................................
c. ........................................................................................
d. ........................................................................................

Total Project Budget: $ (Total Budget Amount)

The Total Project Construction Cost is not to exceed (Amount spelled out) .......................................................................................................................... ($ Amount in numerals)

The Total Contingency Reserve is (Amount spelled out) .......................................................................................................................... ($ Amount in numerals)

The Project Design Fee is (Amount spelled out) .......................................................................................................................... ($ Amount in numerals)

NOTE: See Article 14
NOW, THEREFORE, the Owner and the Designer, for the consideration hereinafter set forth, agree as follows:

A. The Designer shall provide professional services for the Project in accordance with the Terms and Conditions of this Agreement and the latest edition of the document titled “State Construction Manual,” which by reference is made a part of this Agreement.

B. The Owner shall compensate the Designer, in accordance with the Terms and Conditions of this Agreement, as follows:

(1) For the Designer’s **BASIC SERVICES**, as described and defined in Article 1 hereinafter, a Lump Sum of amount spelled out ($ numerals shown in parentheses) is authorized.

(2) For the Designer’s **ADDITIONAL SERVICES**, as described in Article 2 hereinafter, a fee must be agreed upon with the Owner prior to beginning the work. The Agreement must be in writing and attached as an amendment to this Agreement. In arriving at this lump sum fee, the maximum rates that will be considered are as follows:

(a) Principals’ time at the fixed rate of **one hundred dollars** ($100.00) per hour. For the purpose of this agreement the principals are:

(List principals’ names)

(b) Employees’ time computed at a multiple of **Two and Five Tenths** (2.5) times the employees’ hourly rate.

(c) Additional services of professional consultants engaged for the normal structural, mechanical and electrical or architectural services, at a multiple of **One and Two Tenths** (1.2) times the amount billed to the Designer for such additional services.

(3) The times and further conditions of payment shall be as described in Article 7, PAYMENT TO THE DESIGNER.

C. The Designer agrees to begin work on the Project promptly upon receipt of his fully executed copy of this Agreement, and to pursue his work in accordance with the following schedule:

**DESIGNER’S PRODUCTION SCHEDULE**

<table>
<thead>
<tr>
<th>PHASE</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schematic:</td>
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</tr>
<tr>
<td>Design Development:</td>
<td>(enter date)</td>
</tr>
<tr>
<td>Working Drawings:</td>
<td>(enter date)</td>
</tr>
<tr>
<td>Estimated Bid Date:</td>
<td>(enter date)</td>
</tr>
</tbody>
</table>
It is the responsibility of the Designer to maintain the above production schedule. If for any reason it appears any phase of the project will be delayed, the Designer shall notify the Owner, in writing, prior to the due date of that phase with an explanation of the reason(s) for the delay. If the delay(s) is approved by the Owner, the schedule may be modified and the agreement amended. Both failure to give the required notification of delay and failure to meet the production schedule constitute failure to perform in accordance with the terms of this agreement and the agreement may be terminated in accordance with Article 10-2.

TERMS AND CONDITIONS OF THE AGREEMENT

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Art. 2 Additional Services of the Designer .............................................. 7
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Art. 4 The Owner's Responsibilities ................................................... 8
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Art. 13 Professional Consultants ....................................................... 12
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ARTICLE 1
BASIC SERVICES OF THE DESIGNER

Schematic Design Phase

1-1 The Designer shall consult with the Owner to ascertain the requirements of the project and shall confirm such requirements to the Owner.

1-2 He shall prepare schematic design studies (see State Construction Manual), leading to a recommended solution together with a general description of the project for approval by the Owner.

1-3 He shall submit to the Owner a statement of probable construction cost based on the area, volume or other current unit costs. (See State Construction Manual.)

1-4 The Designer will be permitted to reduce the scope of the project, within reasonable limits approved by Owner, if such reduction is deemed necessary in order to not exceed the total project budget cost as set forth in the body of Page 1 of this agreement.

Design Development Phase

1-5 The Designer shall prepare from the approved schematic design studies, for approval by the Owner, the design development documents which shall include site and floor plans, elevations and other drawings, and outline specifications as are necessary to fix and illustrate the size and character of the entire project in its essentials as to kinds of material, type of structure, mechanical and electrical systems, and such other work as may be required, including site and utility requirements.

1-6 He shall submit to the Owner a further statement of probable construction cost. (See State Construction Manual.)

Construction Document Phase

1-7 The Designer shall prepare from the approved design development documents, working drawings and specifications setting forth in detail and prescribing the work to be done and the materials, workmanship, finishes and equipment required for the engineering, architectural, structural, mechanical, electrical and the site work, and for service-connected equipment; and assemble the necessary bidding information, proposal and contract forms, and conditions of the contract, for approval by the Owner. (See State Construction Manual.)

1-8 He shall submit to the Owner a further statement of probable construction cost as indicated by fully developed requirements and current market conditions. (See State Construction Manual.)

1-9 The Designer shall request proposals, conduct a bid opening, evaluate same and make recommendations of award to the Owner within two workdays of the bid opening unless negotiations or redesign is required. Upon award of contracts, Designer shall assure proper execution of the contract documents by the contractors and forward to the Owner for his execution and further approval.

1-10 Prior to bid opening, the Designer shall fulfill the responsibilities of the Designer as outlined in the “Guidelines for Recruitment and Selection of Minority Business for Participation in University of North Carolina Construction Contracts,” including:

(a) Attend the scheduled prebid conference to explain minority business requirements to the prospective bidders.

(b) Assist the owner to identify and notify prospective minority business prime and subcontractors of potential contracting opportunities.
(c) Maintain documentation of any contacts, correspondence, or conversation with minority business firms made in an attempt to meet the goals.

(d) Review jointly with the owner, all requirements of G.S. 143-128.2 (c) and G.S. 143-128.2 (f) (i.e. bidders’ proposals for identification of the minority businesses that will be utilized with corresponding total dollar value of the bid and affidavit listing Good Faith Efforts, or affidavit of self-performance of work, if the contractor will perform work under contract by its own workforce) prior to recommendation of award.

(e) Make documentation showing evidence of implementation of Designer’s responsibilities available for review by the University of North Carolina and HUB Office, upon request.

1-11 The Designer shall prepare and file the required documents for the approval of governmental authorities having jurisdiction over the project.

1-12 In the event that bids and design fees exceed the total project cost as set forth on Page 1 of this agreement, then the provisions of Article 5 hereof, Limitations of Project Cost and Project Scope, shall apply.

Construction Phase

1-13 The Construction Phase will begin with the notification of award of contracts. The Designer shall issue appropriate letters of Notice to Proceed to the single prime, construction manager at risk, or separate letters to each prime contractor in the case of separate prime bidding, which letters shall fix and definitely establish the beginning date of time of performance for the respective contract types, and the required completion date. Copies of each such letter issued by designer shall be furnished to the Owner.

1-14 The Designer's responsibilities during the Construction Phase shall be as described in State Construction Manual, and as set forth hereinafter. His responsibilities shall include the following:

(a) Arrange for, give written notice to all appropriate parties as to time and place, and conduct a pre-construction conference in coordination with the Owner;

(b) Establish and conduct a regular schedule of monthly meetings, for contractors' representatives and a representative of the Owner. Such monthly meetings shall be maintained throughout the entire construction period and shall be for the primary purpose of assessing the progress of the work and recommending such remedial actions as are necessary to maintain progress and to complete the project within the contract time. The Designer shall submit to the Owner a full report of each such meeting. Attendance, purposes, results; reports and conduct of these monthly meetings shall be as more fully described in the State Construction Manual;

(c) Process and approve, or take other appropriate action in respect of, progress schedules, shop drawings and other required submissions of contractors promptly;

(d) Prepare change orders as required, and have such change orders properly executed and approved before authorizing work on account thereof;

(e) Process contractors' applications for payment promptly for authorized work and issue certificates of payment;

(f) Review “MBE Documentation for Contract Payment “ (Appendix E) for compliance with minority business utilization commitments. Submit Appendix E form with monthly pay applications to the owner and forward copies to the University of North Carolina, Office of the President.
(g) Provide general administration of the performance of construction contracts, including inspection and continuous liaison of the work to ensure compliance with plans and specifications, which inspection shall be by qualified and mutually agreed upon representatives of the Designer's firm not less than once per week while work is in progress, and as often as necessary to ensure compliance with plans and specifications;

(h) Require all in-house consultants and contract consultants participating in the design of the project, and as named in Article 13 of this contract, to provide liaison and inspection services with respect to their portion of the design not less than once per week while work related to their design is in progress and as often as necessary to ensure compliance with plans and specifications;

(i) Schedule and conduct final inspection of the project, coordinating the date for such inspection with the Owner;

(j) Assemble written guarantees, affidavits, manuals of instruction for operation, and other required and closing papers of the contractors; issue certificates of final completion, certificates of compliance from all consultants whose seals appear on the plans and specifications as required by G.S. 133-1.1, final certificates for payment; and set date for beginning of the guarantee period, forwarding all closing papers to the Owner;

(k) Serve as agent of the Owner as described in this contract, and within the limits and conditions of this contract, guarding the Owner against defects but not guaranteeing performance of the construction contractors.

1-15 The Designer agrees that his representatives on the construction project shall be qualified by training and experience to make decisions and interpretations of plans and specifications, and shall be empowered by the Designer to do so; such decisions and interpretations shall be binding upon the Designer as if made by him; all such decisions shall be confirmed in writing at the earliest reasonable date, with copies to the Owner, conditioned that such decisions and interpretations shall not modify adversely the requirements of the contract documents; the Designer's representatives shall be replaced promptly and without protest at the request of the Owner, if in the opinion of the Owner, such representatives are either negligent or unqualified to perform their duties; and all of the above in this paragraph shall be applicable to consultants referred to in Paragraph 1-14(h) above.

Post-Construction Phase

1-16 Upon completion of the project the Designer shall correct the drawings to conform to the project as finally constructed, and shall deliver to the Owner corrected record drawings.

1-17 Prior to final payment to the Designer he shall prepare and deliver to the Owner a final report. (See State Construction Manual.)

1-18 Five percent (5%) of the total fee of the Designer shall be retained until approval of the record drawings and final report by the Owner. Final payment can be made after the Owner deems final documentation to be acceptable.

Other Professional Services

1-19 If the Designer renders basic architectural services he hereby agrees that all plans, specifications, detail drawings, construction inspection, etc., for engineering work pertaining to heating, ventilating, refrigeration, power service, or other special mechanical or structural work shall be done by his own organization, by registered professional engineers regularly engaged and particularly qualified by experience and training to do this work, or agrees to employ without additional cost to the Owner, and subject to the approval of the Owner, the services of a registered professional engineer, which contract shall bind the engineer to terms and
responsibilities substantially as set forth herein regarding design and construction phase services. (See Article 1.) Copies of this agreement shall be furnished to the Owner.

1-20 If the Designer who is a party to this contract renders basic engineering services he hereby agrees that plans, specifications, detailed drawings, construction inspection, etc., for architectural work pertaining to this project shall be done by his own organization, by registered professional architects regularly engaged in and particularly qualified by experience and training to do this work, or agrees to employ without additional cost to the Owner, and subject to approval of the Owner, the services of a registered professional architect regularly engaged in the work. The engineer shall enter into a contract agreement with such registered professional architect, which contract shall bind the architect to terms and responsibilities substantially as set forth herein regarding design and construction phase services. (See Article 1.) Copies of this agreement shall be furnished to the Owner.

1-21 The Designer shall be responsible for all designer administrative cost related to the project, including, but not limited to, the following:

a) Providing required number of plans and specifications for review for all agencies involved in the project;

b) Paying for all reproduction cost except as set forth in Article 6;

c) Paying all cost of handling, mailing, etc., of plans and specifications to the contractors;

d) Paying for all telephone calls, travel, administrative overhead cost and any other expense incurred by the Designer except for those items set forth in Article 2, Additional Services of the Designer.

ARTICLE 2
ADDITIONAL SERVICES OF THE DESIGNER

2-1 In the event the Owner, requests in writing that the Designer perform services over, above and beyond the basic services described in Article 1 hereof, then the Designer may be paid for such additional services as herein before provided. Additional services, for which additional compensation may be allowed, are as described hereinafter.

(a) Revising previously approved design development or working drawings or specifications to accomplish changes ordered by the Owner, except where required to get the cost within the total project budget;

(b) Preparing drawings and specifications for alternate bids for work beyond the scope of that originally contemplated in this agreement; (When alternates are used to assure keeping project within the total project budget, no additional fee shall apply.)

(c) Arranging for the work to proceed should the contractor default due to delinquency or insolvency;

(d) Providing contract administration and inspection of construction should the construction contract time be extended due to no fault of the Designer;

(e) Making an inspection of the project prior to expiration of the guarantee period and reporting observed discrepancies under guarantees provided by the construction contracts.

(f) Other services as may be required will be negotiated.
ARTICLE 3
FULL-TIME CONSTRUCTION INSPECTION

3-1 The Owner, may direct the Designer in writing to provide full-time construction inspection services. The Designer shall be compensated for the additional expense in a manner as mutually agreed upon between the Owner and the Designer and as set forth in a written amendment to this agreement. Such additional compensation as is agreed to shall take into account the value of inspection services required to be furnished by the Designer under his fee for basic services. If arrangements are effected for the Designer to provide full-time inspection service, the representative proposed by the Designer to act in his capacity shall be subject to the prior approval of the Owner, and the conditions of Paragraph 1-15 under Article 1 hereof shall apply to such full-time inspection representative. The use of a full-time inspector does not negate the conditions of Paragraph 1-14(h) under Article 1.

ARTICLE 4
THE OWNER'S RESPONSIBILITY

4-1 The Owner shall provide full information as to its requirements for the project, consistent with the total project budget indicated on Page 1 of this agreement and subject to the approval of the State Budget Office.

4-2 The Owner shall designate, when necessary, a representative authorized to act in his behalf, who shall examine documents submitted by the Designer, and render decisions pertaining thereto promptly, to avoid unreasonable delay in the progress of the Designer's work. The Owner's representative shall observe the procedure of issuing instruction to contractors only through the Designer. The Owner's representative shall attend monthly job meetings scheduled by the Designer and shall be empowered to make commitments for the Owner at such meetings.

4-3 The Owner shall furnish or pay for, at cost, to the Designer, a survey of the site; giving grades and lines of streets, alleys, pavement and adjoining property, rights of way, restrictions, easements, encroachments, zoning, deed restrictions, boundaries, elevations at grid points, locations, dimensions, and data pertaining to existing buildings, utilities and trees; or other requirements for the project. The Owner will pay, at cost, for tests and/or reports requested for determining subsoil and conditions. However, this shall not apply in engineering contracts where the survey is part of the design.

4-4 The Owner shall provide legal services as may be required or necessary for the project.

4-5 Before awarding a contract, the Owner shall:

(a) Implement the University of North Carolina HUB plan.

(b) Attend the scheduled prebid conference.

(c) At least 10 days prior to the scheduled day of bid opening, notify minority businesses that have requested notices from the public entity for public construction or repair work and minority businesses that otherwise indicated to the Office for Historically Underutilized Businesses an interest in the type of work being bid or the potential contracting opportunities listed in the proposal.

(d) Utilize other media, as appropriate, likely to inform potential minority businesses of the bid being sought.

(e) Maintain documentation of any contacts, correspondence, or conversation with minority business firms made in an attempt to meet the goals.
(f) Review, jointly with the designer, all requirements as noted in Articles 1-10 and 1-13 above regarding minority business participation and documentation.

(g) Document evidence of implementation of Owner’s responsibilities.

ARTICLE 5
LIMITATIONS OF PROJECT COST AND PROJECT SCOPE

Total Project Cost

5-1 The total project cost as indicated in the body of Page 1 of this agreement shall include all costs and expenses for which the Designer is responsible, including the design fee. The contingency fund noted on Page 1 shall be reserved at the time of award of construction contracts.

Cost Limitations

5-2 The total project cost, as indicated in the body of Page 1 of this agreement, is derived from a specific appropriation or funds specifically provided for the particular project described on Page 1. Accordingly it shall be a condition of this agreement that the Designer shall conform his plans to a design, the construction cost of which together with the addition of design fees, shall not exceed the total project cost limitations as set forth in the body of Page 1 of this agreement.

5-3 In the event that during the several stages of development of his plans the Designer's statement of probable construction cost together with design fees exceeds the limitations set forth on Page 1 of this agreement, or in the event that after receipt of bids the sum total of the lowest bona fide bids for the entire project together with design fees exceeds the limitation set forth on Page 1 of this agreement, then the Owner shall have the right to require the Designer, without any additional cost to the Owner, to modify his plans and specifications or redesign the project as may be necessary to bring the construction cost plus design fees within the total project cost limitation set forth on Page 1 of this agreement.

5-4 If the probable construction cost plus design fees, or the sum total of lowest bona fide bids plus design fees, exceeds the limitation of total project cost set forth in the body of Page 1 of this agreement, and in view of this excess of cost the Owner elects to and does effect arrangements for additional financing sufficient to permit the project to proceed at a total project cost in excess of that originally contemplated by this agreement, then the Owner may modify the terms of this agreement with respect to a new authorized and increased total project cost. In order to be valid and binding, any modification of the total project cost by the Owner must be in writing.

Scope of Project

5-5 The proposed scope of the project is indicated on Page 1 of this agreement. The Designer will be permitted to reduce the scope of the project, within reasonable limits approved by Owner, if such reduction is deemed necessary in order to not exceed the total project cost as set forth in the body of Page 1 of this agreement.

5-6 The total project cost is the primary control criteria and limitation; the scope of the project is secondary to project cost.
ARTICLE 6
REPRODUCTION EXPENSES

6-1 The Designer shall be required to furnish up to 30 sets of complete, approved final plans and specifications for the project. For sets required in excess of the above mentioned number, the Designer will be paid the actual cost of reproduction. A list of plan deposits not returned to the contractors shall be furnished to the Owner. These deposits, as set forth in Notice to Bidders, shall be credited to the Owner.

ARTICLE 7
PAYMENTS TO THE DESIGNER

7-1 Payments on account of the Designer's basic services shall become due and payable in an amount sufficient to increase the compensation for basic services to the following percentages of the basic fee upon completion of the phases of work as indicated hereinafter; monthly payments may be made if progress is satisfactory to the Owner. Payments are not to exceed the stated percentages.

(a) Upon approval of Schematic Design Phase .................................................. 15%
(b) Upon approval of Design Development Phase ............................................ 20%
(c) Upon approval of working drawings and specification ............................. 30%
(d) Upon receipt of bids ......................................................................................... 5%
(e) During the Construction Phase, monthly in proportion to the progress of the work, up to and including final inspection and acceptance .................. 25%
(f) Upon the closing of all construction contracts and the approval of record drawings and final report ................................................................. 5%

7-2 Payments for additional services of the Designer, as defined in Article 2, shall be made at the time of the next payment due under schedule of payments for basic services above.

ARTICLE 8
ACCOUNTING RECORDS OF THE DESIGNER

8-1 Records of the Designer's personnel, consultants, additional services and reimbursable expenses pertaining to the project, and records of accounts between the Owner and the contractors, shall be kept on a generally recognized account basis, and all such records shall be available to the Owner or his authorized representative at mutually convenient times.
ARTICLE 9
OWNERSHIP OF PLANS AND SPECIFICATIONS

9-1 All designs, drawings, specifications, design calculations, notes and other works developed in the performance of this contract shall become the sole property of the State of North Carolina and may be used on any other design or construction without additional compensation to the Designer. The use of the design, including tracings and specifications, by any person or entity, for the purpose other than the project as set forth in the body on Page 1 of this agreement, shall be at the full risk of such person or entity and the Designer shall be relieved of any liability whatsoever, including claims for personal injury, property damage, or death as a result of such other use.

ARTICLE 10
TERMINATION OF AGREEMENT

10-1 The Owner may terminate this agreement for any reason upon ten (10) calendar days written notice (delivered by certified mail, return receipt requested).

10-2 This agreement may be terminated by either party upon seven (7) calendar days written notice (delivered by certified mail, return receipt requested) should one party fail to perform in accordance with its terms through no fault of the other.

10-3 In event of termination, the Designer shall receive payment for services rendered prior to the receipt of written termination notice from the Owner. If termination results from abandonment or suspension of the project, then the Designer will receive termination expenses in the amount of five percent (5%) of the above due payment. If termination results from non-performance of work, then the Designer will not receive termination expenses. Any work done by the Designer prior to termination shall become the property of the Owner.

10-4 For the purpose of evaluating services rendered to termination, the following shall apply:

(a) Schematic Design Phase ................................................................. 15%
(b) Completion of Design Development Phase ......................................... 20%
(c) Delivery of working drawings and specifications for review .................. 25%
(d) Approval of final drawings and specifications ..................................... 5%
(e) Upon receipt of bids ........................................................................ 5%
(f) Construction Phase monthly in proportion to progress of work .......... 25%
(g) Approval of record drawings and final report .................................... 5%
ARTICLE 11
SUCCESSORS AND ASSIGNS

11-1 The Owner and the Designer each binds himself, his partners, successors, legal representatives and assigns to the other party to this agreement and to the partners, successors, legal representatives and assigns of such other party in respect to all covenants of this agreement. Neither the Owner nor the Designer shall assign, sublet or transfer his interest in this agreement without the written consent of the other.

ARTICLE 12
EXTENT OF AGREEMENT

12-1 This agreement represents the entire and integrated agreement between the Owner and the Designer and supersedes all prior negotiations, representations or agreements, either written or oral. This agreement may be amended only by written consent.

ARTICLE 13
PROFESSIONAL CONSULTANTS

13-1 The Designer agrees to contract with the following consultants for specialized portions of the work. Each such consultant shall be required to comply with the conditions of this agreement to the same extent as the Designer. (List All Consultants)

<table>
<thead>
<tr>
<th>Mechanical Engineer</th>
<th>Electrical Engineer</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Make entries if applicable)</td>
<td>(Make entries if applicable)</td>
</tr>
<tr>
<td>(Firm)</td>
<td>(Firm)</td>
</tr>
<tr>
<td>(Address)</td>
<td>(Address)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Structural Engineer</th>
<th>Other (Specify)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Make entries if applicable)</td>
<td>(Make entries if applicable)</td>
</tr>
<tr>
<td>(Firm)</td>
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</tr>
<tr>
<td>(Address)</td>
<td>(Address)</td>
</tr>
</tbody>
</table>
ARTICLE 14
SUPPLEMENTAL AGREEMENT

(This article to be completed as appropriate for any supplemental items for the specific institution/project.)

The lump sum fee shown on sheet 2 includes fee charges for anticipated change orders during the construction phase, utilizing the contingency reserve up to the total project authorization of $____________________.

IN WITNESS WHEREOF the Owner and the Designer have executed this Agreement, the day and year first above written.

Witness:

__________________________________________  By:  ________________________________

Date:  ________________________________

Designer

Owner, State of North Carolina through

Witness:

__________________________________________  By:  ________________________________

Date:  ________________________________

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PAYMENTS AND DELIVERABLES

Design Phases and Payments:

<table>
<thead>
<tr>
<th>Phase</th>
<th>Designer’s Duration:</th>
<th>Designer’s Completion Date:</th>
<th>Agency Review Duration:</th>
<th>Percent of Payment Required</th>
<th>Remarks:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Programming</td>
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<td></td>
<td></td>
<td>Based on letter agreement</td>
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<tr>
<td>Schematic Design</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mid-Schematic Report</td>
<td></td>
<td></td>
<td></td>
<td>10%</td>
<td>On-board review w/Owner, acceptance not req’d to proceed.</td>
</tr>
<tr>
<td>Final Schematic Report</td>
<td></td>
<td></td>
<td></td>
<td>10%</td>
<td>Owner acceptance req’d to proceed to DD</td>
</tr>
<tr>
<td>Design Development</td>
<td></td>
<td></td>
<td></td>
<td>20%</td>
<td></td>
</tr>
<tr>
<td>Construction Documents</td>
<td></td>
<td></td>
<td></td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Bidding</td>
<td></td>
<td></td>
<td></td>
<td>5%</td>
<td></td>
</tr>
<tr>
<td>Construction Administration</td>
<td></td>
<td></td>
<td></td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Project Closeout</td>
<td></td>
<td></td>
<td></td>
<td>5%</td>
<td></td>
</tr>
</tbody>
</table>

At the discretion of the institution, monthly billing for design services is permitted. Payments will be made on a prorated basis up to 90% of the fee for the phase. The remaining 10% of the fee will be paid upon approval of the phase by SCO & DOI.

DESIGN SUBMISSION REQUIREMENTS

I. Schematic Design Phase - In addition to the requirements outlined by the current edition of the SCO State Construction Manual for the schematic phase, the contents of the schematic design submittal shall also include:

A. Mid Schematic Report confirming Scope and Cost- (No regulatory agency submittals required)

1. Provide a project site analysis that addresses existing conditions to include; zoning and site utilities available with location and adequacy; site and orientation options for sustainability in environmental and energy conservation, including historic considerations; a soils investigation and report* providing options and recommendations for site and foundations with a narrative by the structural engineer as to possible structural system options and considerations and a recommendation.

* Site survey, soils investigation and testing are reimbursed or paid directly by the Owner.
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2. Provide space allocations within the proposed building schematic based on the program needs, showing relationship of gross and net square footage outlined in the program including space provided for building systems.

3. Provide a summary of "required" and "optional" building areas and features with cost opinions provided for each. Recommend specific features and areas for inclusion in the project scope, within the project funds available.


5. Suggest primary building systems options recommended for detailed life cycle cost analysis, for approval. Explain the rationale for the choices recommended.

6. Describe other building systems being considered for inclusion in the design, and rationales for each of the options.

7. Present clear summary and recommendations for building features, functions, and systems to be included in the project scope, within the funds available. Owner will choose from these recommendations.

8. Review of emergency systems and requirements: Emergency power, fire pump etc.

9. Identify pending decisions or choices by the Owner which have the potential to substantially impact the project scope or schedule. Provide an initial opinion of the potential cost and schedule impact of each item, and identify the next action, party responsible, and due date for resolving the issue. Mid-Schematic approval constitutes an explicit acceptance of responsibility for timely decisions by the Owner and Designer on the critical decisions identified.

10. List regulatory reviews, zoning, and code interpretations or implications applicable to proposed design, as well as permits that will be required. (See “Code Related Requirements” section.)

B. Final Schematic Design Submission- (Submit to regulatory agencies as required.)

1. Life cycle cost analysis (LCCA) of primary systems. Include clear LCCA recommendations for primary energy using systems. Recommendations shall be included for each of the following:
   a. building envelope configuration and construction, including elevations, orientation, and glazing.
   b. primary heating energy, cooling energy, and electrical power sources
   c. interior lighting systems
   d. HVAC systems
   e. Domestic water heating systems

2. Provide Floor Plans at 1/8" or ¼" per ft. as appropriate to the project considering service space for MEP systems.

3. Provide typical wall sections at large scale, in sufficient detail to determine thermal performance.

4. Provide draft outline specifications for all divisions identifying major products and components proposed for inclusion.

5. Provide a primary building elevation noting materials and areas.

6. Large scale building sections noting systems, clearances, and floor-to-floor height presumptions. Include section at typical confluence points where major building components intersect.

7. Provide schematic representations (flow diagrams or riser diagrams) for Mechanical, Electrical, and Plumbing main systems. Provide general arrangement floor plans to scale, which locate major equipment, based on initial size estimate. Identify point of connections for storm sewer, sanitary sewer, electrical, chilled water and steam.

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8. Provide preliminary structural framing plan with preliminary sizes of main structural members.
9. Provide, with the project budget summary, a cost opinion, segregated by CSI division. Clearly identify the scope and feature options that are recommended to comply with the available project funds. In the case of Construction Manager @Risk projects, Designer shall assist the CM in the preparation of the cost estimates by providing available project scope documentation, while preparation of the Schematic cost opinion is the responsibility of the CM @Risk. This is to ensure that the CM at Risk and Designer align scope and budget at the SD stage, but does not relieve either of the requirement for separate estimates as required at subsequent design stages. Final Schematic report shall outline project decisions on soils, foundations and structural system, PME systems descriptions. A comparative space use summary shall be provided, indicating any deviations from the architectural program needed to assure that the project scope conforms to the project funds available.
10. Code compliance report including baseline code related information, using the code compliance form required by DOI (Building Code Summary).

C. Responsibility for Budget and Scope Reconciliation
Final Schematic Phase approval by Owner reconciles the project scope with the budget by making choices put forward by the Designer. Any substantive changes in the project scope, schedule, or budget which are required by the Owner after Final Schematic approval constitute a change in the Design Agreement scope. A fully executed amendment to the Design Agreement addressing the impact of post Schematic scope changes is required before proceeding with further design phases.

II. Design Development Phase - In addition to the requirements outlined by current edition of the SCO Construction Manual for the design development phase, the contents of the design development submittal include:

A. Architectural/Civil/Structural – Site Plans and Details
1. Provide site plans at a scale appropriate to indicate the site work and associated utility connections.
2. Provide grading plans separate from the building site plan indicating all proposed site improvements.

B. Architectural/Civil/Structural – Floor Plans and Elevations
1. Floor plans shall be drawn at a minimum scale of 1/8” = 1'-0” with toilet areas and other areas of the building requiring greater detail drawn at 1/4”=l ‘-0” unless otherwise called for in these documents. Prepare a preliminary door schedule showing basic materials.
2. Prepare a set of code compliance floor plans indicating all fire rated construction, exit locations, travel distances, and exit capacities.
3. Elevations: Provide 1/8” scale elevations for all sides of the building exterior. Provide 1/4” scale elevations for interior spaces and conditions requiring greater detail.
4. Roof Plans: Provide 1/8” scale roof plans showing all components and identify all roof detail locations.
5. Reflected Ceiling Plans: Provide 1/8” scale reflected ceiling plans showing lighting.

C. Architectural/Civil/Structural Details - Include typical and key details for the following (This is not intended to be an exhaustive set of details.):
1. Exterior walls and parapets.
2. Sections through the building.
3. Special building conditions.
4. Roof penthouse sections and details.
5. Interior partition types, identifying rated partitions.
6. Final structural framing plan.
7. Column and footing schedules.

D. Mechanical/Electrical/Plumbing (MEP) Specifications - Include an initial draft of technical specifications prepared in CSI/MasterFormat 1995 or 2004 numbers and titles. Edited short or long version specifications may be used. All sections required for the project shall be edited and included as part of this submittal. MEP edited sections shall include, but are not limited to the following: HVAC controls, commissioning, fire protection (including sprinklers and alarm systems), panels, switch boards, transformers, and sequence of construction.

E. MEP Floor Plans and Elevations
1. Floor plans shall be drawn at the scale of the architectural drawings unless otherwise called for in these documents. All piping, with sizes, shall be shown. All ductwork mains, drawn as double line ductwork with sizes, shall be shown. All valves and hydronic accessories shall be shown. All sprinkler piping mains, sizing, valving, and heads shall be shown. Plans shall identify all fire-rated construction and indicate whether fire partition, fire barrier, or fire wall as defined by code. Plenums shall also be identified. Fire ratings will be shown on all plans (P,M,E) to ensure that contractors will know how to properly protect penetrations.
2. Enlarged Scale Plans: Printed 1/4” scale plans are required for the mechanical rooms, penthouse, roof equipment, computer, printer and telephone equipment rooms. The plans shall show the location of all equipment, based on actual sizes of final equipment selected. (FINAL plans are schematic documents, NOT ‘shop drawings’ drawn to “Exact” dimensions.)
3. Sections: Printed 1/4” scale sectional views are required for the penthouse, mechanical rooms, roof equipment and telephone rooms. Main mechanical rooms shall have sufficient sectional elevations included to confirm that proposed components will fit the space.

F. MEP Details - Include schematic diagrams showing all control, monitoring, and isolation devices for the following:
1. Boilers and associated piping
2. Chillers and associated piping
3. Domestic hot water heater or heat exchangers and associated piping
4. Main air handlers (ductwork and piping)
5. Building sprinkler control valve and fire department connections
6. Fire Pump

G. Preliminary MEP Equipment Schedules
1. Boilers
2. Chillers
3. Air handlers
4. Pumps
5. Other equipment that is project specific

H. Electrical – Floor Plans
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1. Floor plans shall be drawn at a scale of 1/8” = 1’ unless otherwise called for. Three separate
floor plans shall be prepared for each floor. Provide one plan each for lighting, power, and
signal - communications systems.

2. Lighting Floor Plans: Plans will show locations of all lighting and exit lighting fixtures.
Circuiting will be shown diagrammatically to demonstrate branch circuiting and the
switching arrangement. Homers will be shown for each plan. The plans will show locations
of required disconnect switches, motor starters, and related control equipment, shown to scale,
based on final equipment selections (required, but not at this stage). Show the routing of all
feeders to panel boards and load centers.

3. Signal - Communications System Floor Plans: Plans will show all signal and communications
system devices. Each telephone and computer outlet shall be shown, including devices installed
in partition systems which are provided by others. The floor plans shall show all signal system
raceway systems unless the raceways can be better shown in riser diagram form. The floor
plans shall show the location of all fire alarm system devices.

4. Enlarged Scale Floor Plans: 1/4” scale floor plans are required for the electrical and telephone
service rooms, and electrical closets and communications closets. The plans will show the
location of all equipment within the room, drawn to scale, based on final equipment selections.

I. Electrical Riser Diagrams/Single Line Diagrams

1. Signal Riser Diagrams: Riser diagrams are required for all systems shown on the Signal -
  Communications System floor plans. Riser diagrams shall show each device in the system, with
the devices labeled to coincide with the floor plans. Riser diagrams shall show the system
raceways, including sleeves. Where cabling is provided by others, cable information is not
required on the riser, except to indicate that cable is provided by others. The riser diagram must
demonstrate that cable installation is possible.

2. Power Single Line Diagram: Provide a single line diagram for the entire electrical distribution
system from the primary service to the load centers - including:
a. Verification of load conditions with owner. [This requires a level of detailed knowledge of
   the primary distribution system that is not usually appropriate for the building design
   engineers to have, and thus relies on owner-provided information.]
b. Short circuit ratings of new primary system devices.
c. Each switchboard and panel board in the system. Show the protective devices in each panel
   board to show protection for each feeder.
d. Show each load center including the main protective devices in each load center.
e. Prepare the single line diagram in a riser form to show the location of the equipment.
f. Emergency Power System

3. Power Riser Diagram: The single line diagram required above will also serve as the power riser
diagram.
J. Electrical Details - Include details for the following:
   1. Service grounding detail.
   2. Service layout - Show the proposed layout of the transformer/service room, drawn to scale, based on final equipment selections.

K. Electrical Panel Schedules - Include panel schedules for each panel board and switchboard. Panel schedules will include the following information:
   1. Surface or flush mounted.
   2. Voltage, phase, bus size and number of wires,
   3. Circuit breaker components, poles, frame, and trip setting.
   4. Indicate where specific purpose circuit breakers will be installed.
   5. Frame size and number of poles for future circuit breakers.
   7. Load served. Include name or identification of equipment load served. Panelboard schedules do not have room to show locations, except room nos., which change right up to CD submittal.

L. Life Cycle Cost Analysis should be refined and updated as appropriate.

III. Construction Documents - Submission materials are consistent with those listed under design development but generally in greater detail. In addition to the requirements outlined by SCO Construction Manual for the construction documents phase, the contents of the construction document submittal include:

A. Site Plans and Details
   1. Provide site related detail drawings.
   2. Provide site drawing to address staging areas, pedestrian and vehicular traffic during construction, including accessible routes as applicable.

B. Floor Plans and Elevations
   1. Reflected Ceiling Plans: Provide 1/8” scale reflected ceiling plans showing sprinkler, and mechanical items for coordination in addition to lighting.

C. Details - Include typical details for the following (in addition to those items listed under DD’s):
   1. Loading areas and overhangs
   2. Roof flashing conditions
   3. Fireproofing schedules and details
   4. Trench detail for each underground conduit installation. Show number and size of conduits, concrete requirements, conduit depth, trench bedding and back-fill requirements.


CODE RELATED REQUIREMENTS
1. The building must comply with all applicable zoning regulations.
2. The building must comply with NC Department of Environment and Natural Resources (DENR) regulations.
3. The Designer is responsible for obtaining all Federal, State and local approvals or assisting the owner and contractors in obtaining as appropriate.

4. Design compliance with codes is a statutory requirement of all registered professionals in NC.
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This template is intended to assist institutions in identifying and documenting common issues which have, in previous years, frequently been incorporated into supplemental conditions of the general contract. The intent is to redirect these items into Division 1, Masterspec format. The format is outlined below, with some of these common issues outlined under items 1.9, 1.10, 1.11, and 1.13. Any of these sections may be further revised, as appropriate for the institution and project involved, but areas highlighted in red must be specifically addressed before using this document. In some instances, examples of possible entries are provided in red and should be corrected before final publication.

SECTION 011000 – SUMMARY

PART 1 – GENERAL

1.2 SUMMARY

1.3 WORK COVERED BY CONTRACT DOCUMENTS

1.4 TYPE OF CONTRACT

1.5 WORK PHASES

1.6 WORK UNDER OTHER CONTRACTS

1.7 PRODUCTS ORDERED IN ADVANCE

1.8 OWNER-FURNISHED PRODUCTS

1.9 USE OF PREMISES <select, edit, renumber as appropriate for specific projects>

A. General: Contractor shall have full use of premises for construction operations, including use of Project site, during construction period. Contractor’s use of premises is limited only by Owner’s right to perform work or to retain other contractors on portions of Project.

<or select and edit below as appropriate>

General: Contractor shall have limited use of premises for construction operations as indicated on drawings by the contract limits and described below.

B. Use of Site: Limit use of premises to <describe areas of work> <areas within the Contract limits> indicated. Do not disturb portions of Project site beyond areas in which the Work is indicated.

1. Limits: Confine construction operations to <insert description of areas where work is permitted>. Limit site disturbance, including earthwork and clearing of vegetation, to 40 feet (12.2 m) beyond building perimeter; 5 feet
beyond primary roadway curbs, walkways, and main utility branch trenches; and 25 feet beyond pervious paving areas.

2. Owner Occupancy: Allow for Owner occupancy of Project site (and use by the public).

3. Roads, Driveways, Entrances and Sidewalks: Keep driveways, parking garage, and entrances serving premises clear and available to Owner, Owner’s employees, and emergency vehicles at all times. Do not use these areas for parking or storage of materials.

a. Access for Deliveries: Schedule deliveries to minimize use of driveways and entrances. Road and sidewalk blockages shall be scheduled in advance and may occur only after the University’s approval. Warning signs, barricades, and detour information shall be placed as needed to accommodate, adequately warn, and protect campus pedestrians, including the handicapped. If required, flagmen shall direct traffic around the construction or detour area. Schedule deliveries to minimize space and time requirements for storage of materials and equipment on-site.

b. Road, Driveway, Entrance, and Sidewalk Closings: The contractor shall make requests for approval for any street, alley, entrance, driveway, access way, or sidewalk to be closed at least prior to the date desired for closing. No such access will be closed without prior approval by the University. Pedestrian and vehicle traffic way-finding around the construction limits must be maintained in a clean and safe condition at all times.

c. Street Maintenance: Streets and adjacent property sites shall be kept free from run-off, litter and/or debris in any form from the project site and any that should appear shall be removed immediately. All mud collected on vehicle tires shall be removed before leaving the construction area. Adjacent roadways must be cleaned daily, if required, to prevent mud or dust from coating existing roadways. Contractors are prohibited from discharging any waste products from concrete trucks, concrete coring work, or any other unsuitable materials, fluids, or other products on the site, streets, or into the storm sewer system. Should the contractor fail to comply with these requirements, the University reserves the right, with twenty-four (24) hours’ prior notice, to clean the offending area and deduct the cost from the Contractor’s next application for payment.

4. Parking: Parking for personal vehicles on campus is not provided as parking is extremely limited. Contractors must limit parking of company vehicles and storage of materials as can be accommodated within the limits of the construction site and staging area. Contractors are subject to the University’s parking regulations (<insert information on where the regulations may be obtained>).

D. Use of Existing Building (if applicable to project): Maintain existing building in a weathertight condition throughout construction period. Repair damage caused by
construction operations. Protect building and its occupants during construction period.

1.10 OWNER’S OCCUPANCY REQUIREMENTS

A. Full Owner Occupancy: Owner will occupy site and existing building during entire construction period. Cooperate with Owner during construction operations to minimize conflicts and facilitate Owner usage. Perform the Work so as not to interfere with Owner’s day-to-day operations. Maintain existing exits, unless otherwise indicated.

1. Maintain access to existing walkways, corridors, and other adjacent occupied or used facilities. Do not close or obstruct walkways, corridors, or other occupied or used facilities without written permission from Owner and authorities having jurisdiction.

2. Provide not less than <72 hours’> notice to Owner of activities that will affect Owner’s operations.

B. Partial Owner Occupancy: Owner will occupy the premises during entire construction period, with the exception of areas under construction. Cooperate with Owner during construction operations to minimize conflicts and facilitate Owner usage. Perform the Work so as not to interfere with Owner’s operations. Maintain existing exits, unless otherwise indicated.

1. Maintain access to existing walkways, corridors, and other adjacent occupied or used facilities. Do not close or obstruct walkways, corridors, or other occupied or used facilities without written permission from Owner and authorities having jurisdiction.

2. Provide not less than <72 hours’> notice to Owner of activities that will affect Owner’s operations.

C. Owner Occupancy of Completed Areas of Construction: Owner reserves the right to occupy and to place and install equipment in completed areas of building, before Substantial Completion, provided such occupancy does not interfere with completion of the Work. Such placement of equipment and partial occupancy shall not constitute acceptance of the total Work.

1. Architect will prepare a Certificate of Substantial Completion for each specific portion of the Work to be occupied before Owner occupancy.

2. Obtain a Certificate of Occupancy from authorities having jurisdiction before Owner occupancy.

3. Before partial Owner occupancy, mechanical and electrical systems shall be fully operational, and required tests and inspections shall be successfully completed. On occupancy, Owner will operate and maintain mechanical and electrical systems serving occupied portions of building.
4. On occupancy, Owner will assume responsibility for maintenance and custodial service for occupied portions of building.

1.11 WORK RESTRICTIONS/REQUIREMENTS

A. On-Site Work Hours Restrictions: Work shall be generally performed inside the existing building during normal business working hours of <insert time> a.m. to <insert time> p.m., Monday through Friday, except otherwise indicated.

1. **Weekend Hours:** <insert restrictions on times permitted for weekend work>.
2. **Early Morning Hours:** <insert restrictions or references to regulations by authorities having jurisdiction for any restrictions, for example noise ordinances after 11 pm>.
3. **Hours for Utility Shutdowns:** <insert Owner’s restrictions>.
4. **Hours for** <insert noisy activity such as Core Drilling>: <insert Owner’s restrictions>.
5. **Prohibited Working Hours:** Construction activities are not allowed on the dates of graduation, which occur one day in December and one day in May. In addition, construction may cease, be limited, or temporarily curtailed when they conflict with the University’s operations such as in the following circumstances:
   a. Move-in/out days, generally twice annually (August and May).
   b. During exam periods; two weeks each in December and April and one week each in June and August.
   <Specify known dates which will occur during project construction duration if possible or provide information on when/how these dates will be known and communicated.>

B. On-Site Work Hours Requirements: This project is being performed in a building that <describe unique circumstances that require specific working hours such as a building that will continue to be occupied during construction and will require that work occur at night or on week-ends to minimize conflicts with ongoing University operations, or an occupied residence hall, etc.> The Contractor may establish a work schedule of his own choosing during the following hours:
   1. **Weekday hours:** Between the hours of <insert time> p.m. and <insert time> a.m. Monday through Friday nights.
   2. **Weekend hours:** Between the hours of <insert time> a.m. and <insert time> p.m. on Saturdays and Sundays.
   3. **Holiday hours:** <specify holidays and hours allowable for work, as appropriate>

C. University Inspections: The University will conduct the following inspections and generate a punch list at the same time as the Designer’s inspection. Any inspections that are not satisfactory shall be repeated at no cost to the University and shall not be cause for a time extension. The Contractor shall give the Designer and University a minimum of <insert number> of days prior notice that the work is complete, functional and ready for
inspection. Any reinspection costs, including but not limited to the Designer, the University, the State Construction Office, or third party personnel, that result from punch list items not being complete shall be at the expense of the Contractor.
<insert numbered items and details for the required inspections, such as above ceiling, generator, fire pump, fire alarm, etc.>

1.12 SPECIFICATION FORMATS AND CONVENTIONS

1.13 MISCELLANEOUS PROVISIONS

A. Fire Arms: No fire arms, concealed or otherwise, are permitted on campus.

B. Drug Free Workplace Requirement: The University is a drug-free work place. No drugs or alcohol are permitted on campus and employees on the work site under the influence of such substances shall be deemed sufficient cause for the University to permanently remove that individual from the project and University property. Such action shall not constitute grounds for a delay claim.

C. Blasting: Blasting on University property is prohibited.

D. Construction Site Fencing: A construction fence shall be installed around the perimeter of the project limits. The fence shall be constructed of heavy-duty chain link material, have a minimum height of six feet and shall have a continuous top tubular rail. Swing gates shall be included at every access to the enclosed area. The fence shall have an integral visual barrier or shading type material applied and maintained for the duration of the project. Gates will be interlocked with padlocks for which the University retains keys in order to allow access in case of an emergency. When the project is complete, fencing must be removed and ground contours restored to original condition or adjusted to coordinate with new construction. Upon project completion, grass must be mowed to a height to match adjacent grass height and damage to asphalt or striping within the site must be repaired.

E. Tree and landscape protection: All areas within tree and landscape protection areas as shown in the plans and specifications are off limits to vehicular traffic, material storage, soil stockpiles, pedestrian access, pathways, parking, etc. and shall be inviolate.

F. Site Maintenance: Contractor is responsible for maintaining a clean, organized, safe job site, free of accumulated construction debris and trash. To that end, Contractor shall be responsible for cleaning their work areas weekly at a minimum and the proper disposal of construction debris and trash. Debris shall be secured in trucks so that material cannot fall or be blown from trucks during transportation. Grass must be mowed or trimmed to keep height below 6” maximum length both within and within 24” of the construction limits. Demolition debris is not to remain on the project site. Contractors or subcontractors must provide their own dumpsters and provide for
periodic dumping for demolition debris. Storm water runoff cannot adversely affect adjacent areas for the life of the project. Contractor must comply with the “Sedimentation Pollution Control Act of 1973” and ensure that erosion control measures are maintained for the duration of the project, until final ground cover is established.

G. Materials/Equipment Storage: Storage of construction materials and equipment shall be limited to the project staging area unless otherwise agreed to, in writing, in advance. Should the Contractor fail to remove any material or equipment stored outside the staging area within twenty-four (24) hours of notification from the University, the University shall have the right to remove and dispose of such materials from the campus and deduct the cost of such removal and disposition from the Contractor’s next application for payment.

H. Security: The University will only provide security it deems prudent and necessary for its own protection. The Contractor shall be responsible for the security and safety of the project within the project limits. The University must approve any security service instituted by the contractor.

I. Emergency Contacts: The contractor shall furnish the University with names, telephone numbers (day and night), and pager numbers of the project manager and superintendent prior to beginning work and maintain current information for the project duration. In the event of an emergency identified by the Contractor, the designated University representative will be contacted (insert name and contact information/directives).

J. Hot Work: When the Contractor is performing work that produces heat, flame, or sparks on or in an existing building or other structure, the Contractor is required to obtain a “hot work” permit from the University, fire department, etc. Attach information on requirements.

K. Protection of the Work: The Contractor shall protect all work in place. All materials, equipment, furnishings and finishes that are required to be new shall be in “new condition” at the time of final acceptance. Those that are deemed as not in “new condition” at the discretion of the Designer or Owner shall be removed and replaced at no additional cost to the Owner. In addition, where the project involves existing materials remaining in place, the Contractor must ensure these materials are adequately protected throughout the construction period. If damage occurs, Contractor shall repair damage to original condition to the Owner’s satisfaction or replace damaged materials. Contractor shall not track dust or dirt into any occupied portions of buildings.

L. Contractor’s Employees – Respectful Behavior: All construction personnel shall be respectful of all members of the University community. Any incidents of disrespect, verbal abuse, threatening statements, unwelcome comments, unwelcome interaction or any form of harassment from any construction personnel toward any member of the University community is strictly prohibited. Any such act shall be deemed sufficient
cause for the University to permanently remove any individual from the project and University property. Such action shall not constitute grounds for a delay claim.

M. Contractor’s Employees – Responsive Behavior: All construction personnel shall be responsive to requests to take action on any requirements of the contract documents and/or to correct any endangerment to the health and safety of the public. Any individual employee who ignores or refuses to take immediate action shall be identified as generating sufficient cause for the University to permanently remove them from the project and University property. Such action shall not constitute grounds for a delay claim.

N. Utilities:

1. Provisions for Utilities:
   a. Utilities provided by Owner for Contractor’s project use: <list in separate subparagraphs each utility to be furnished by Owner, cost/payment arrangements, etc.>
   b. Utilities to be obtained and paid for directly by the Contractor: <list in separate subparagraphs each utility to be furnished by Contractor>

2. Existing Utility Scheduled Interruptions: Do not interrupt utilities serving facilities occupied by Owner or others unless permitted under the following conditions and then only after arranging to provide temporary utility services according to requirements indicated:
   a. Notify <Architect> <Construction Manager> <Owner> not less than <two, insert number> days in advance of proposed utility interruptions.
   b. Do not proceed with utility interruptions without <Architect’s> <Construction Manager’s> <Owner’s> written permission.

3. Utility Location/Interruptions: Each contractor doing excavation work is responsible for locating all existing underground utilities prior to commencing excavation. The Contractor shall be responsible for the associated cost of any utility interruption and repair due to his excavation if utility location was not requested, location procedures performed and followed prior to commencing excavation. The Contractor shall immediately notify the University and restore the service of any utility disrupted due to excavation or any contractor action whatever the circumstance. The University reserves the right to immediately restore the service of any utility disrupted due to actions of the contractor and deduct the cost of such restoration from the contractor’s contract.

O. Signage: Job site trailer may display Contractor’s logo sign <insert dimensions> maximum size. Job site signage shall be <insert details of campus standard job site signage, content, dimensions, and instructions for placement>.
Letter Agreement

University of North Carolina
General Administration
________________________ Project , __________ University

This Agreement is made this XX th day of Month, Year, by and between the State of North Carolina through _________________ University hereinafter referred to as Owner, and _________________ hereinafter referred to in this document as Architect.

Whereas, Owner needs the services of an architect/planner for _____________ Project of the _____________ University.

The architect/planner shall provide professional services for the project in accordance with the terms and conditions of this agreement.

Now, therefore, Owner and Architect, for the consideration hereinafter set forth, agree as follows:

A) The Architect will perform the tasks as outlined in proposal letter dated <date of proposal> attached hereto as Attachment A.
B) Deliverables will include <Description of deliverables>.
C) The Owner will compensate the Architect in the amount of <amount of proposal, spelled out and then shown in numeric form i.e. forty-six thousand dollars ($46,000)> payable in mutually agreeable increments as the work progresses. Payments are not to exceed the stated values.
D) This work will be completed on or before <proposed completion date>.
E) Records of the architect’s personnel, consultants, additional services and reimbursable expenses pertaining to the project, and records of accounts between the owner and the contractors, shall be kept on a generally recognized account basis, and all such records shall be available to the owner or his authorized representative at mutually convenient times.
F) All notes and other works developed in the performance of this contract shall become the sole property of the State of North Carolina.
G) The owner may terminate this agreement for any reason upon ten (10) calendar days' written notice (delivered by certified mail, return receipt requested). This agreement may be terminated by either party upon seven (7) calendar days' written notice (delivered by certified mail, return receipt requested) should one party fail to perform in accordance with its terms through no fault of the other. In event of termination, the architect shall receive payment for services rendered prior to the receipt of written termination notice from the owner. Any work done by the architect prior to termination shall become the property of the owner and payment will be made commensurate with the level of work completed.
H) The owner and the architect each binds himself, his partners, successors, legal representatives and assigns to the other party to this agreement and to the partners, successors, legal representatives and assigns of such other party in respect to all covenants of this agreement. Neither the owner nor the architect shall assign, sublet, or transfer his interest in this agreement without the written consent of the other.
1) This Agreement represents the entire and integrated agreement between Owner and Auditor and supersedes all prior negotiations, representations or agreements, either written or oral. This Agreement may be amended only by written consent.

Architect:

Witness: ____________________________

By: _______________________________

Date: _____________________________

Owner: State of NC through
UNC General Administration

Witness: ____________________________

By: _______________________________

(Name and Title)

Date: _____________________________
Open-ended Service Agreement

The State of North Carolina through the [UNIVERSITY] hereinafter referred to as Owner, hereby offers the following proposal for retention of [COMPANY] on an as needed basis from [DATE] to [DATE] to provide professional services for small projects related to [DISCIPLINE] services.

The following terms apply to this Agreement:

1. Your professional services will be retained as an independent contractor, not as an employee of Owner or the State of North Carolina.

2. Each project for which services are required will be separately discussed and negotiated to resolve the scope of the project, work schedule, coordination requirements, review procedures and fee(s).

3. Any plans, specifications or studies developed under this agreement will conform to the requirements of the latest edition of the North Carolina State Construction Manual and the University of North Carolina Design and Construction Guidelines [INCLUDE ADDITIONAL INSTITUTIONAL GUIDELINES IF APPLICABLE].

4. Any single construction project shall not exceed $500,000 in cost. Under this Agreement a Planning Study may not exceed $50,000.

5. The design fee, including travel and other direct costs, will be agreed upon prior to the undertaking of services. Payments will be as negotiated and as set forth in future specific project contracts. In accordance with General Statute 142-32B payment for services cannot be made in advance. Violations will require restitution to the State and may result in the termination of the Agreement and/or criminal prosecution.

6. In the event that the scope of required services is not adequately defined prior to beginning the project, compensation may be paid on an hourly basis against an estimated total design cost. The total hourly compensation cannot exceed the estimated total design cost without prior written approval. Hourly compensation rates will be subject to approval prior to the start of the work, and in no instance will be greater than the rates approved by the State Construction Office for similar work (presently $100/hr).

7. This Agreement may be terminated in writing at any time by either party without penalty.
The procedures for execution of a project contract are as follows.

1. Owner will initiate contact when services are required. Assignments made by anyone other than those authorized below are not valid and therefore will not be honored for payment. The following is a list of [UNIVERSITY] personnel authorized to make assignments under your Design Agreement:

   [NAME(S)]

2. A time will be scheduled when you can visit the site of the work and discuss the scope for the project.

3. A proposal that will summarize your understanding of the project, construction cost estimate, a schedule for the work and fee that you will require to complete the project, will be submitted to Owner in writing.

4. If your proposal is accepted, Owner will authorize you to proceed.

   ACCEPTED FOR
   [COMPANY]

   Witness: ____________________________  By: ____________________________
                 (Name and Title)             Date: ____________________________

   ACCEPTED FOR
   [UNIVERSITY]

   Witness: ____________________________  By: ____________________________
                 (Name and Title)             Date: ____________________________
Optional Agreement for Increased Level of Service - After Hour Emergency

An after hour emergency is defined as an unplanned event occurring at a time other then 8:00 a.m. to 5:00 p.m. Monday through Friday. An after hour emergency requires a guaranteed response from the firm. Guaranteed response is defined as making contact with the representative of the Owner, in person, by telephone or page within one hour of the Owner’s initial contact.

________________________ Company also accepts the optional agreement of providing guaranteed response to all after hour emergencies requiring consultation in our area of expertise. Services will be consistent with the other terms of this agreement.

ACCEPTED FOR
________________________ Company

Witness: ______________________

By: ____________________________
(Name and Title)

Date: __________________________

ACCEPTED FOR
________________________ University

Witness: ______________________

By: ____________________________
(Name and Title)

Date: __________________________

Please list all numbers by which the contact person can be reached.

________________________
Contact Person’s Name

After Hours Numbers:
Phone: ______________________

Pager: ______________________

Mobile: ______________________
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INSTRUCTIONS TO BIDDERS

AND

GENERAL CONDITIONS OF THE CONTRACT

STANDARD FORM FOR CONSTRUCTION PROJECTS

STATE CONSTRUCTION OFFICE
NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION

Form OC-15

This document is intended for use on State capital construction projects and shall not be used on any project that is not reviewed and approved by the State Construction Office. Extensive modification to the General Conditions by means of “Supplementary General Conditions” is strongly discouraged. State agencies and institutions may include special requirements in “Division 1 – General Requirements” of the specifications, where they do not conflict with the General Conditions.

Twenty Fourth Edition January 2013
INSTRUCTIONS TO BIDDERS

AND

GENERAL CONDITIONS OF THE CONTRACT

STANDARD FORM FOR CONSTRUCTION PROJECTS

UNIVERSITY OF NORTH CAROLINA

GENERAL ADMINISTRATION

INSTRUCTIONS TO BIDDERS

For a proposal to be considered it must be in accordance with the following instructions:

1. PROPOSALS

Proposals must be made in strict accordance with the Form of Proposal provided therefor, and all blank spaces for bids, alternates and unit prices applicable to bidders work shall be properly filled in. When requested alternates are not bid, the proposer shall so indicate by the words “No Bid”. Any blanks shall also be interpreted as “No Bid”. The bidder agrees that bid on Form of Proposal detached from specifications will be considered and will have the same force and effect as if attached thereto. Photocopied or faxed proposals will not be considered. Numbers shall be stated both in writing and in figures for the base bids and alternates. If figures and writing differ, the written number will supersede the figures.

Any modifications to the Form of Proposal (including alternates and/or unit prices) will disqualify the bid and may cause the bid to be rejected.

The bidder shall fill in the Form of Proposal as follows:

a. If the documents are executed by a sole owner, that fact shall be evidenced by the word "Owner" appearing after the name of the person executing them.

b. If the documents are executed by a partnership, that fact shall be evidenced by the word "Co-Partner" appearing after the name of the partner executing them.

c. If the documents are executed on the part of a corporation, they shall be executed by either the president or the vice president and attested by the secretary or assistant secretary in either case, and the title of the office of such persons shall appear after their signatures. The seal of the corporation shall be impressed on each signature page of the documents.

d. If the proposal is made by a joint venture, it shall be executed by each member of the joint venture in the above form for sole owner, partnership or corporation, whichever form is applicable.

e. All signatures shall be properly witnessed.

f. If the contractor's license of a bidder is held by a person other than an owner, partner or officer of a firm, then the licensee shall also sign and be a party to the proposal. The title "Licensee" shall appear under his/her signature.

Proposals should be addressed as indicated in the Advertisement for Bids and be delivered enclosed in an opaque sealed envelope, marked "Proposal" and bearing the title of the work, name of the bidder, and the contractor's license number of the bidder. Bidders should clearly mark on the outside of the bid envelope which contract(s) they are bidding.

Bidder shall identify with appropriate attachments to the bid, the minority businesses that will be utilized on the project with corresponding total dollar value of the bid and affidavit listing good faith efforts or an affidavit indicating work under contract will be self-performed, as required by G.S. 143-128.2 (c) and G.S. 143-128.2 (f). Failure to comply with these requirements is grounds for rejection of the bid.
For projects bid in the single-prime alternative, the names and license numbers of major subcontractors shall be listed on the proposal form.

It shall be the specific responsibility of the bidder to deliver his bid to the proper official at the selected place and prior to the announced time for the opening of bids. Later delivery of a bid for any reason, including delivery by any delivery service, shall disqualify the bid.

Unit prices quoted in the proposal shall include overhead and profit and shall be the full compensation for the contractor's cost involved in the work. See General Conditions, Article 19c-1.

2. EXAMINATION OF CONDITIONS

It is understood and mutually agreed that by submitting a bid the bidder acknowledges that he has carefully examined all documents pertaining to the work, the location, accessibility and general character of the site of the work and all existing buildings and structures within and adjacent to the site, and has satisfied himself as to the nature of the work, the condition of existing buildings and structures, the conformation of the ground, the character, quality and quantity of the material to be encountered, the character of the equipment, machinery, plant and any other facilities needed preliminary to and during prosecution of the work, the general and local conditions, the construction hazards, and all other matters, including, but not limited to, the labor situation which can in any way affect the work under the contract, and including all safety measures required by the Occupational Safety and Health Act of 1970 and all rules and regulations issued pursuant thereto. It is further mutually agreed that by submitting a proposal the bidder acknowledges that he has satisfied himself as to the feasibility and meaning of the plans, drawings, specifications and other contract documents for the construction of the work and that he accepts all the terms, conditions and stipulations contained therein; and that he is prepared to work in cooperation with other contractors performing work on the site.

Reference is made to contract documents for the identification of those surveys and investigation reports of subsurface or latent physical conditions at the site or otherwise affecting performance of the work which have been relied upon by the designer in preparing the documents. The owner will make copies of all such surveys and reports available to the bidder upon request.

Each bidder may, at his own expense, make such additional surveys and investigations as he may deem necessary to determine his bid price for the performance of the work. Any on-site investigation shall be done at the convenience of the owner. Any reasonable request for access to the site will be honored by the owner.

3. BULLETINS AND ADDENDA

Any addenda to specifications issued during the time of bidding are to be considered covered in the proposal and in closing a contract they will become a part thereof. It shall be the bidder's responsibility to ascertain prior to bid time the addenda issued and to see that his bid includes any changes thereby required.

Should the bidder find discrepancies in, or omission from, the drawings or documents or should he be in doubt as to their meaning, he shall at once notify the designer who will send written instructions in the form of addenda to all bidders. Notification should be no later than seven (7) days prior to the date set for receipt of bids. Neither the owner nor the designer will be responsible for any oral instructions.
All addenda should be acknowledged by the bidder(s) on the Form of Proposal. However, even if not acknowledged, by submitting a bid, the bidder has certified that he has reviewed all issued addenda and has included all costs associated within the bid.

4. BID SECURITY

Each proposal shall be accompanied by a cash deposit or a certified check drawn on some bank or trust company insured by the Federal Deposit Insurance Corporation, or a bid bond in an amount equal to not less than five percent (5%) of the proposal, said deposit to be retained by the owner as liquidated damages in event of failure of the successful bidder to execute the contract within ten (10) days after the award or to give satisfactory surety as required by law (G.S. 143-129).

Bid bond shall be conditioned that the surety will, upon demand, forthwith make payment to the obligee upon said bond if the bidder fails to execute the contract. The owner may retain bid securities of any bidder(s) who may have a reasonable chance of award of contract for the full duration of time stated in the Notice to Bidders. Other bid securities may be released sooner, at the discretion of the owner. All bid securities (cash or certified checks) shall be returned to the bidders promptly after award of contracts, and no later then seven (7) days after expiration of the holding period stated in the Notice to Bidders. Standard Form of Bid Bond is included in these specifications and shall be used.

5. RECEIPT OF BIDS

Bids shall be received in strict accordance with requirements of the General Statutes of North Carolina. Bid security shall be required as prescribed by statute. Prior to the closing of the bid, the bidder will be permitted to change or withdraw his bid. Guidelines for opening of public construction bids are available from the owner.

6. OPENING OF BIDS

Upon opening, all bids shall be read aloud. Once bidding is closed, there shall not be any withdrawal of bids by any bidder and no bids may be returned by the designer to any bidder. After the opening of bids, no bid may be withdrawn, except under the provisions of General Statute 143-129.1, for a period of thirty days unless otherwise specified. Should the successful bidder default and fail to execute a contract, the contract may be awarded to the next lowest and responsible bidder. The owner reserves the unqualified right to reject any and all bids. Reasons for rejection may include, but shall not be limited to, the following:

a. If the Form of Proposal furnished to the bidder is not used or is altered.

b. If the bidder fails to insert a price for all bid items, alternate and unit prices requested.

c. If the bidder adds any provisions reserving the right to accept or reject any award.

d. If there are unauthorized additions or conditional bids, or irregularities of any kind which tend to make the proposal incomplete, indefinite or ambiguous as to its meaning.

e. If the bidder fails to complete the proposal form where information is requested so the bid may be properly evaluated by the owner.

f. If the unit prices contained in the bid schedule are unacceptable to the owner.

g. If the bidder fails to comply with other instructions stated herein.
7. BID EVALUATION

The award of the contract will be made to the lowest responsible bidder as soon as practical. The owner may award on the basis of the base bid and any alternates the owner chooses.

Before awarding a contract, the owner may require the apparent low bidder to qualify himself to be a responsible bidder by furnishing any or all of the following data:

a. The latest financial statement showing assets and liabilities of the company or other information satisfactory to the owner.

b. A listing of completed projects of similar size.

c. Permanent name and address of place of business.

d. The number of regular employees of the organization and length of time the organization has been in business under present name.

e. The name and home office address of the surety proposed and the name and address of the responsible local claim agent.

f. The names of members of the firms who hold appropriate trade licenses, together with license numbers.

g. If prequalified, contractor information may be reviewed and evaluated comparatively to submitted prequalification package.

Failure or refusal to furnish any of the above information, if requested, shall constitute a basis for disqualification of any bidder.

In determining the lowest responsible, responsive bidder, the owner shall take into consideration the bidder’s compliance with the requirements of G.S. 143-128.2(c), the past performance of the bidder on construction contracts for the State with particular concern given to completion times, quality of work, cooperation with other contractors, and cooperation with the designer and owner. Failure of the low bidder to furnish affidavit and/or documentation as required by G.S. 143-128.2(c) shall constitute a basis for disqualification of the bid.

Should the owner adjudge that the apparent low bidder is not the lowest responsible, responsive bidder by virtue of the above information, said apparent low bidder will be so notified and his bid security shall be returned to him.

8. PERFORMANCE BOND

The successful bidder, upon award of contract, shall furnish a performance bond in an amount equal to 100 percent of the contract price. See Article 35, General Conditions.

9. PAYMENT BOND

The successful bidder, upon award of contract, shall furnish a payment bond in an amount equal to 100 percent of the contract price. See Article 35, General Conditions.
10. PAYMENTS

Payments to the successful bidders (contractors) will be made on the basis of monthly estimates of completed work. See Article 31, General Conditions.

11. PRE-BID CONFERENCE

Prior to the date set for receiving bids, the Designer may arrange and conduct a Pre-Bid Conference for all prospective bidders. The purpose of this conference is to review project requirements and to respond to questions from prospective bidders and their subcontractors or material suppliers related to the intent of bid documents. Attendance by prospective bidders shall be as required by the “Notice to Bidders”.

12. SUBSTITUTIONS

In accordance with the provisions of G.S. 133-3, material, product, or equipment substitutions proposed by the bidders to those specified herein can only be considered during the bidding phase until ten (10) days prior to the receipt of bids when submitted to the Designer with sufficient data to confirm material, product, or equipment equality. Proposed substitutions submitted after this time will be considered only as potential change order.

Submittals for proposed substitutions shall include the following information:

a. Name, address and telephone number of manufacturer and supplier as appropriate.

b. Trade name, model or catalog designation.

c. Product data including performance and test data, reference standards, and technical descriptions of material, product, or equipment. Include color samples and samples of available finishes as appropriate.

d. Detailed comparison with specified products including performance capabilities, warranties, and test results.

e. Other pertinent data including data requested by the Designer to confirm product equality.

If a proposed material, product, or equipment substitution is deemed equal by the Designer to those specified, all bidders of record will be notified by Addendum.
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ARTICLE 1 - DEFINITIONS

a. The **contract documents** consist of the Notice to Bidders; Instructions to Bidders; General Conditions of the Contract; special conditions if applicable; Supplementary General Conditions; the drawings and specifications, including all bulletins, addenda or other modifications of the drawings and specifications incorporated into the documents prior to their execution; the proposal; the contract; the performance bond; the payment bond; insurance certificates; the approval of the attorney general; and the certificate of the Office of State Budget and Management. All of these items together form the contract.

b. The **owner** is the State of North Carolina through the agency named in the contract.

c. The **designer(s)** are those referred to within this contract, or their authorized representatives. The designer(s), as referred to herein, shall mean architect and/or engineer. They will be referred to hereinafter as if each were of the singular number, masculine gender.

d. The **contractor**, as referred to hereinafter, shall be deemed to be either of the several contracting parties called the "Party of the First Part" in either of the several contracts in connection with the total project. Where, in special instances hereinafter, a particular contractor is intended, an adjective precedes the word "contractor," as "general," "heating," etc. For the purposes of a single prime contract, the term Contractor shall be deemed to be the single contracting entity identified as the “Party of the First Part” in the single Construction Contract. Any references or adjectives that name or infer multiple prime contractors shall be interpreted to mean the single prime Contractor.

e. A **subcontractor**, as the term is used herein, shall be understood to be one who has entered into a direct contract with a contractor, and includes one who furnishes materials worked to a special design in accordance with plans and specifications covered by the contract, but does not include one who only sells or furnishes materials not requiring work so described or detailed.

f. **Written notice** shall be defined as notice in writing delivered in person to the contractor, or to a partner of the firm in the case of a partnership, or to a member of the contracting organization, or to an officer of the organization in the case of a corporation, or sent to the last known business address of the contracting organization by registered mail.

g. **Work**, as used herein as a noun, is intended to include materials, labor and workmanship of the appropriate contractor.

h. The **project** is the total construction work to be performed under the contract documents by the several contractors.
i. **Project expediter**, as used herein, is an entity stated in the contract documents, designated to effectively facilitate scheduling and coordination of work activities. See Article 14(f) for responsibilities of a Project Expediter. **For the purposes of a single prime contract, the single prime contractor shall be designated as the Project Expediter.**

j. **Change order**, as used herein, shall mean a written order to the contractor subsequent to the signing of the contract authorizing a change in the contract. The change order shall be signed by the contractor and designer and approved by the owner in that order (Article 19).

k. **Field Order**, as used herein, shall mean a written approval for the contractor to proceed with the work requested by owner prior to issuance of a formal Change Order. The field order shall be signed by the contractor, designer, and owner.

l. **Time of completion**, as stated in the contract documents, is to be interpreted as consecutive calendar days measured from the date established in the written Notice to Proceed, or such other date as may be established herein (Article 23).

m. **Liquidated damages**, as stated in the contract documents, is an amount reasonably estimated in advance to cover the consequential damages associated with the Owner’s economic loss in not being able to use the Project for its intended purposes at the end of the contract’s completion date as amended by change order, if any, by reason of failure of the contractor(s) to complete the work within the time specified. Liquidated damages does not include the Owner’s extended contract administration costs (including but not limited to additional fees for architectural and engineering services, testing services, inspection services, commissioning services, etc.), such other damages directly resulting from delays caused solely by the contractor, or consequential damages that the Owner identified in the bid documents that may be impacted by any delay caused solely by the Contractor (e.g., if a multi-phased project-subsequent phases, delays in start of other projects that are dependent on the completion of this Project, extension of leases and/or maintenance agreements for other facilities).

n. **Surety**, as used herein, shall mean the bonding company or corporate body which is bound with and for the contractor, and which engages to be responsible for the contractor and his acceptable performance of the work.

o. **Routine written communications between the Designer and the Contractor**, are any communication other than a “request for information” provided in letter, memo, or transmittal format, sent by mail, courier, electronic mail, or facsimile. Such communications can not be identified as “request for information.”

p. **Clarification or Request for information (RFI)**, is a request from the Contractor seeking an interpretation or clarification by the Designer relative to the contract documents. The RFI, which shall be labeled (RFI), shall clearly and concisely set forth the issue or item requiring clarification or interpretation and why the response is needed. The RFI must set forth the Contractor’s interpretation or understanding of the contract documents requirements in question, along with reasons for such an understanding.

q. **Approval**, means written or imprinted acknowledgement that materials, equipment or methods of construction are acceptable for use in the work.

r. **Inspection**, shall mean examination or observation of work completed or in progress to determine its compliance with contract documents.
s. “Equal to” or “approved equal”, shall mean materials, products, equipment, assemblies, or installation methods considered equal by the bidder in all characteristics (physical, functional, and aesthetic) to those specified in the contract documents. Acceptance of equal is subject to the approval of the Designer and Owner.

t. “Substitution” or “substitute”, shall mean materials, products, equipment, assemblies, or installation methods deviating in at least one characteristic (physical, functional, or aesthetic) from those specified, but which in the opinion of the bidder would improve competition and/or enhance the finished installation. Acceptance of substitution is subject to the approval of the Designer and Owner.

u. **Provide** shall mean furnish and install complete in place, new, clean, operational, and ready for use.

v. **Indicated and shown** shall mean provide as detailed, or called for, and reasonably implied in the contract documents.

w. **Special inspector** is one who inspects materials, installation, fabrication, erection or placement of components and connections requiring special expertise to ensure compliance with the approved construction documents and referenced standards.

x. **Commissioning** is a quality assurance process that verifies and documents that building components and systems operate in accordance with the project design documents.

y. **Designer Final Inspection** is the inspection performed by the design team to determine the completeness of the project in accordance with approved plans and specifications. This inspection occurs prior to SCO final inspection.

z. **SCO Final Inspection** is the inspection performed by the State Construction Office to determine the completeness of the project in accordance with North Carolina Building Codes.

aa. **Beneficial Occupancy** is requested by the owner and is occupancy or partial occupancy of the building or project after all life safety items have been completed as determined by the State Construction Office. Life safety items include but are not limited to fire alarm, sprinkler, egress and exit lighting, fire rated walls, egress paths and security.

bb. **Final Acceptance** is the date on which the State Construction Office approves the project as complying with the North Carolina Building Codes and the owner accepts the construction as totally complete. This includes certification by the Designer that all punch list items are completed.

**ARTICLE 2 - INTENT AND EXECUTION OF DOCUMENTS**

a. The drawings and specifications are complementary, one to the other. That which is shown on the drawings or called for in the specifications shall be as binding as if it were both called for and shown. The intent of the drawings and specifications is to establish the scope of all labor, materials, transportation, equipment, and any and all other things necessary to provide a bid for a complete job. In case of discrepancy or disagreement in the contract documents, the order of precedence shall be: Form of Contract, specifications, large-scale detail drawings, small-scale drawings.
b. The wording of the specifications shall be interpreted in accordance with common usage of the language except that words having a commonly used technical or trade meaning shall be so interpreted in preference to other meanings.

c. The contractor shall execute each copy of the proposal, contract, performance bond and payment bond as follows:

1. If the documents are executed by a sole owner, that fact shall be evidenced by the word "Owner" appearing after the name of the person executing them.

2. If the documents are executed by a partnership, that fact shall be evidenced by the word "Co-Partner" appearing after the name of the partner executing them.

3. If the documents are executed on the part of a corporation, they shall be executed by either the president or the vice president and attested by the secretary or assistant secretary in either case, and the title of the office of such persons shall appear after their signatures. The seal of the corporation shall be impressed on each signature page of the documents.

4. If the documents are made by a joint venture, they shall be executed by each member of the joint venture in the above form for sole owner, partnership or corporation, whichever form is applicable to each particular member.

5. All signatures shall be properly witnessed.

6. If the contractor's license is held by a person other than an owner, partner or officer of a firm, then the licensee shall also sign and be a party to the contract. The title "Licensee" shall appear under his/her signature.

7. The bonds shall be executed by an attorney-in-fact. There shall be attached to each copy of the bond a certified copy of power of attorney properly executed and dated.

8. Each copy of the bonds shall be countersigned by an authorized individual agent of the bonding company licensed to do business in North Carolina. The title "Licensed Resident Agent" shall appear after the signature.

9. The seal of the bonding company shall be impressed on each signature page of the bonds.

10. The contractor's signature on the performance bond and the payment bond shall correspond with that on the contract. The date of the performance and payment bond shall not be prior to the date of the contract.

ARTICLE 3 - CLARIFICATIONS AND DETAIL DRAWINGS

a. In such cases where the nature of the work requires clarification by the designer, such clarification shall be furnished by the designer with reasonable promptness by means of written instructions or detail drawings, or both. Clarifications and drawings shall be consistent with the intent of contract documents, and shall become a part thereof.

b. The contractor(s) and the designer shall prepare, if deemed necessary, a schedule fixing dates upon which foreseeable clarifications will be required. The schedule will be
subject to addition or change in accordance with progress of the work. The designer shall furnish drawings or clarifications in accordance with that schedule. The contractor shall not proceed with the work without such detail drawings and/or written clarifications.

ARTICLE 4 - COPIES OF DRAWINGS AND SPECIFICATIONS

The designer or owner shall furnish free of charge to the contractors electronic copies of plans and specifications. If requested by the contractor, paper copies of plans and specifications shall be furnished free of charge as follows:

a. General contractor - Up to twelve (12) sets of general contractor drawings and specifications, up to six (6) sets of which shall include drawings and specifications of all other contracts, plus a clean set of black line prints on white paper of all appropriate drawings, upon which the contractor shall clearly and legibly record all work-in-place that is at variance with the contract documents.

b. Each other contractor - Up to six (6) sets of the appropriate drawings and specifications, up to three (3) sets of which shall include drawings and specifications of all other contracts, plus a clean set of black line prints on white paper of all appropriate drawings, upon which the contractor shall clearly and legibly record all work-in-place that is at variance with the contract documents.

c. Additional sets shall be furnished at cost, including mailing, to the contractor upon request by the contractor. This cost shall be stated in the bidding documents.

d. For the purposes of a single-prime contract, the contractor shall receive up to 30 sets of drawings and specifications, plus a clean set of black line prints on white paper of all appropriate drawings, upon which the contractor shall clearly and legibly record all work-in-place that is at variance with the contract documents.

ARTICLE 5 - SHOP DRAWINGS, SUBMITTALS, SAMPLES, DATA

a. Within 15 consecutive calendar days after the notice to proceed, each prime contractor shall submit a schedule for submission of all shop drawings, product data, samples, and similar submittals through the Project Expeditor to the Designer. This schedule shall indicate the items, relevant specification sections, other related submittal data, and the date when these items will be furnished to the designer.

b. The Contractor(s) shall review, approve and submit to the Designer all Shop Drawings, Coordination Drawings, Product Data, Samples, Color Charts, and similar submittal data required or reasonably implied by the Contract Documents. Required Submittals shall bear the Contractor’s stamp of approval, any exceptions to the Contract Documents shall be noted on the submittals, and copies of all submittals shall be of sufficient quantity for the Designer to retain up to three (3) copies of each submittal for his own use plus additional copies as may be required by the Contractor. Submittals shall be presented to the Designer in accordance with the schedule submitted in paragraph (a) so as to cause no delay in the activities of the Owner or of separate Contractors.

c. The Designer shall review required submittals promptly, noting desired corrections if any, and retaining two (2) copies (one for the Designer, one for the owner) for his use. The remaining copies of each submittal shall be returned to the Contractor not later than twenty (20) days from the date of receipt by the Designer, for the Contractor’s use or for
corrections and resubmittal as noted by the Designer. When resubmittals are required, the submittal procedure shall be the same as for the original submittals.

d. Approval of shop drawings/submittals by the Designer shall not be construed as relieving the Contractor from responsibility for compliance with the design or terms of the contract documents nor from responsibility of errors of any sort in the shop drawings, unless such lack of compliance or errors first have been called in writing to the attention of the Designer by the Contractor.

ARTICLE 6 - WORKING DRAWINGS AND SPECIFICATIONS AT THE JOB SITE

a. The contractor shall maintain, in readable condition at his job office, one complete set of working drawings and specifications for his work including all shop drawings. Such drawings and specifications shall be available for use by the designer, his authorized representative, the owner or State Construction Office.

b. The contractor shall maintain at the job office, a day-to-day record of work-in-place that is at variance with the contract documents. Such variations shall be fully noted on project drawings by the contractor and submitted to the designer upon project completion and no later than 30 days after final acceptance of the project.

c. The contractor shall maintain at the job office a record of all required tests that have been performed, clearly indicating the scope of work inspected and the date of approval or rejection.

ARTICLE 7 - OWNERSHIP OF DRAWINGS AND SPECIFICATIONS

All drawings and specifications are instruments of service and remain the property of the State of North Carolina. The use of these instruments on work other than this contract without permission of the owner is prohibited. All copies of drawings and specifications other than contract copies shall be returned to the owner upon request after completion of the work.

ARTICLE 8 - MATERIALS, EQUIPMENT, EMPLOYEES

a. The contractor shall, unless otherwise specified, supply and pay for all labor, transportation, materials, tools, apparatus, lights, power, heat, sanitary facilities, water, scaffolding and incidentals necessary for the completion of his work, and shall install, maintain and remove all equipment of the construction, other utensils or things, and be responsible for the safe, proper and lawful construction, maintenance and use of same, and shall construct in the best and most workmanlike manner, a complete job and everything incidental thereto, as shown on the plans, stated in the specifications, or reasonably implied therefrom, all in accordance with the contract documents.

b. All materials shall be new and of quality specified, except where reclaimed material is authorized herein and approved for use. Workmanship shall at all times be of a grade accepted as the best practice of the particular trade involved, and as stipulated in written standards of recognized organizations or institutes of the respective trades except as exceeded or qualified by the specifications.

c. Upon notice, the contractor shall furnish evidence as to quality of materials.

d. Products are generally specified by ASTM or other reference standard and/or by manufacturer’s name and model number or trade name. When specified only by
reference standard, the Contractor may select any product meeting this standard, by any manufacturer. When several products or manufacturers are specified as being equally acceptable, the Contractor has the option of using any product and manufacturer combination listed. However, the contractor shall be aware that the cited examples are used only to denote the quality standard of product desired and that they do not restrict bidders to a specific brand, make, manufacturer or specific name; that they are used only to set forth and convey to bidders the general style, type, character and quality of product desired; and that equivalent products will be acceptable. Request for substitution of materials, items or equipment shall be submitted to the designer for approval or disapproval; such approval or disapproval shall be made by the designer prior to the opening of bids. Alternate materials may be requested after the award if it can clearly be demonstrated that it is an added benefit to the owner and the designer and owner approve.

e. The designer is the judge of equality for proposed substitution of products, materials or equipment.

f. If at any time during the construction and completion of the work covered by these contract documents, the language, conduct, or attire of any workman of the various crafts be adjudged a nuisance by the owner or designer, or if any workman be considered detrimental to the work, the contractor shall order such parties removed immediately from grounds.

ARTICLE 9 - ROYALTIES, LICENSES AND PATENTS

It is the intention of the contract documents that the work covered herein will not constitute in any way infringement of any patent whatsoever unless the fact of such patent is clearly evidenced herein. The contractor shall protect and save harmless the owner against suit on account of alleged or actual infringement. The contractor shall pay all royalties and/or license fees required on account of patented articles or processes, whether the patent rights are evidenced hereinafter.

ARTICLE 10 - PERMITS, INSPECTIONS, FEES, REGULATIONS

a. The contractor shall give all notices and comply with all laws, ordinances, codes, rules and regulations bearing on the conduct of the work under this contract. If the contractor observes that the drawings and specifications are at variance therewith, he shall promptly notify the designer in writing. See Instructions to Bidders, Paragraph 3, Bulletins and Addenda. Any necessary changes required after contract award shall be made by change order in accordance with Article 19. If the contractor performs any work knowing it to be contrary to such laws, ordinances, codes, rules and regulations, and without such notice to the designer, he shall bear all cost arising therefrom. Additional requirements implemented after bidding will be subject to equitable negotiations.

b. All work under this contract shall conform to the North Carolina State Building Code and other state, local and national codes as are applicable. The cost of all required inspections and permits shall be the responsibility of the contractor and included within the bid proposal. All water taps, meter barrels, vaults and impact fees shall be paid by the contractor unless otherwise noted.

c. Projects constructed by the State of North Carolina or by any agency or institution of the state are not subject to inspection by any county or municipal authorities and are not subject to county or municipal building codes. The contractor shall, however, cooperate
with the county or municipal authorities by obtaining building permits. Permits shall be obtained at no cost.

d. Projects involving local funding may be subject also to county and municipal building codes and inspection by local authorities. The Contractor shall pay the cost of these permits and inspections as noted in the specifications.

ARTICLE 11 - PROTECTION OF WORK, PROPERTY AND THE PUBLIC

a. The contractors shall be jointly responsible for the entire site and the building or construction of the same and provide all the necessary protections, as required by the owner or designer, and by laws or ordinances governing such conditions. They shall be responsible for any damage to the owner's property, or of that of others on the job, by them, their personnel, or their subcontractors, and shall make good such damages. They shall be responsible for and pay for any damages caused to the owner. All contractors shall have access to the project at all times.

b. The contractor shall provide cover and protect all portions of the structure when the work is not in progress, provide and set all temporary roofs, covers for doorways, sash and windows, and all other materials necessary to protect all the work on the building, whether set by him, or any of the subcontractors. Any work damaged through the lack of proper protection or from any other cause, shall be repaired or replaced without extra cost to the owner.

c. No fires of any kind will be allowed inside or around the operations during the course of construction without special permission from the designer and owner.

d. The contractor shall protect all trees and shrubs designated to remain in the vicinity of the operations by building substantial boxes around same. He shall barricade all walks, roads, etc., as directed by the designer to keep the public away from the construction. All trenches, excavations or other hazards in the vicinity of the work shall be well barricaded and properly lighted at night.

e. The contractor shall provide all necessary safety measures for the protection of all persons on the job, including the requirements of the A.G.C. Accident Prevention Manual in Construction, as amended, and shall fully comply with all state laws or regulations and North Carolina State Building Code requirements to prevent accident or injury to persons on or about the location of the work. He shall clearly mark or post signs warning of hazards existing, and shall barricade excavations, elevator shafts, stairwells and similar hazards. He shall protect against damage or injury resulting from falling materials and he shall maintain all protective devices and signs throughout the progress of the work.


g. The contractor shall designate a responsible member of his organization as safety officer/inspector, to inspect the project site for unsafe health and safety hazards, to report these hazards to the contractor for correction, and whose duties also include accident prevention on the project, and to provide other safety and health measures on the project site as required by the terms and conditions of the contract. The name of the safety
inspector shall be made known to the designer and owner at the time of the preconstruction conference and in all cases prior to any work starting on the project.

h. In the event of emergency affecting the safety of life, the protection of work, or the safety of adjoining properties, the contractor is hereby authorized to act at his own discretion, without further authorization from anyone, to prevent such threatened injury or damage. Any compensation claimed by the contractor on account of such action shall be determined as provided for under Article 19(b).

i. Any and all costs associated with correction of damage caused to adjacent properties of the construction site or staging area shall be borne by the contractor. These costs shall include but not be limited to correction of damage caused by flooding, mud, sand, stone, debris, and discharging of waste products.

ARTICLE 12 - SEDIMENTATION POLLUTION CONTROL ACT OF 1973

a. Any land-disturbing activity performed by the contractor(s) in connection with the project shall comply with all erosion control measures set forth in the contract documents and any additional measures which may be required in order to ensure that the project is in full compliance with the Sedimentation Pollution Control Act of 1973, as implemented by Title 15, North Carolina Administrative Code, Chapter 4, Sedimentation Control, Subchapters 4A, 4B and 4C, as amended (15 N.C.A.C. 4A, 4B and 4C).

b. Upon receipt of notice that a land-disturbing activity is in violation of said act, the contractor(s) shall be responsible for ensuring that all steps or actions necessary to bring the project in compliance with said act are promptly taken.

c. The contractor(s) shall be responsible for defending any legal actions instituted pursuant to N.C.G.S. 113A-64 against any party or persons described in this article.

d. To the fullest extent permitted by law, the contractor(s) shall indemnify and hold harmless the owner, the designer and the agents, consultants and employees of the owner and designer, from and against all claims, damages, civil penalties, losses and expenses, including, but not limited to, attorneys’ fees, arising out of or resulting from the performance of work or failure of performance of work, provided that any such claim, damage, civil penalty, loss or expense is attributable to a violation of the Sedimentation Pollution Control Act. Such obligation shall not be construed to negate, abridge or otherwise reduced any other right or obligation of indemnity which would otherwise exist as to any party or persons described in this article.

ARTICLE 13 - INSPECTION OF THE WORK

a. It is a condition of this contract that the work shall be subject to inspection during normal working hours and during any time work is in preparation and progress by the designer, designated official representatives of the owner, State Construction Office, and those persons required by state law to test special work for official approval. The contractor shall therefore provide safe access to the work at all times for such inspections.

b. All instructions to the contractor will be made only by or through the designer or his designated project representative. Observations made by official representatives of the
owner shall be conveyed to the designer for review and coordination prior to issuance to
the contractor.

c. All work shall be inspected by the designer, special inspector and/or State Construction
Office prior to being covered by the contractor. Contractor shall give a minimum notice
of two weeks unless otherwise agreed to by all parties. If inspection fails, after the first
re-inspection all costs associated with additional inspections shall be borne by the
contractor.

d. Where special inspection or testing is required by virtue of any state laws, instructions of
the designer, specifications or codes, the contractor shall give adequate notice to the
designer of the time set for such inspection or test, if the inspection or test will be
conducted by a party other than the designer. Such special tests or inspections will be
made in the presence of the designer, or his authorized representative, and it shall be the
contractor's responsibility to serve ample notice of such tests.

e. All laboratory tests shall be paid by the owner unless provided otherwise in the contract
documents except the general contractor shall pay for laboratory tests to establish design
mix for concrete, and for additional tests to prove compliance with contract documents
where materials have tested deficient except when the testing laboratory did not follow
the appropriate ASTM testing procedures.

f. Should any work be covered up or concealed prior to inspection and approval by the
designer, special inspector, and/or State Construction Office such work shall be
uncovered or exposed for inspection, if so requested by the designer in writing.
Inspection of the work will be made upon notice from the contractor. All cost involved
in uncovering, repairing, replacing, recovering and restoring to design condition, the
work that has been covered or concealed will be paid by the contractor involved.

ARTICLE 14 - CONSTRUCTION SUPERVISION AND SCHEDULE

a. Throughout the progress of the work, each contractor shall keep at the job site a
competent superintendent and supervisory staff satisfactory to the designer and the
owner. The superintendent and supervisory staff shall not be changed without the
consent of the designer and owner unless said superintendent ceases to be employed by
the contractor or ceases to be competent as determined by the contractor, designer and
owner. The superintendent and other staff designated by the contractor in writing shall
have authority to act on behalf of the contractor, and instructions, directions or notices
given to him shall be as binding as if given to the contractor. However, directions,
instructions and notices shall be confirmed in writing.

b. The contractor shall examine and study the drawings and specifications and fully
understand the project design, and shall provide constant and efficient supervision to the
work. Should he discover any discrepancies of any sort in the drawings or
specifications, he shall report them to the designer without delay. He will not be held
responsible for discrepancies in the drawings and/or specifications, but shall be held
responsible to report them should they become known to him.

c. All contractors shall be required to cooperate and consult with each other during the
construction of this project. Prior to installation of work, all contractors shall jointly
prepare coordination drawings, showing locations of various ductworks, piping, motors,
pumps, and other mechanical or electrical equipment, in relation to the structure, walls
and ceilings. These drawings shall be submitted to the designer through the Project
Expediter for information only. Each contractor shall lay out and execute his work to cause the least delay to other contractors. Each contractor shall be financially responsible for any damage to other contractor's work and for undue delay caused to other contractors on the project.

d. The contractor is required to attend job site progress conferences as called by the designer. The contractor shall be represented at these job progress conferences by both home office and project personnel. These representatives shall have authority to act on behalf of the contractor. These meetings shall be open to subcontractors, material suppliers and any others who can contribute toward maintaining required job progress. It shall be the principal purpose of these meetings, or conferences, to effect coordination, cooperation and assistance in every practical way toward the end of maintaining progress of the project on schedule and to complete the project within the specified contract time. Each contractor shall be prepared to assess progress of the work as required in his particular contract and to recommend remedial measures for correction of progress as may be appropriate. The designer or his authorized representative shall be the coordinator of the conferences and shall preside as chairman. The contractor shall turn over a copy of his daily reports to the designer and owner at the job site project conference. The owner will determine the daily report format.

e. The contractor(s) shall employ an engineer or a land surveyor licensed in the State of North Carolina to lay out the work and to establish a bench mark in a location where same will not be disturbed and where direct instruments sights may be taken.

f. The designer shall designate a project expediter on projects involving two or more prime contracts. The project expediter shall be designated in the Supplementary General Conditions. The Project Expediter shall have at a minimum the following responsibilities:

1. Prepare the project construction schedule and shall allow all prime contractors (multi-prime contract) and subcontractors (single-prime contract) performing general, plumbing, HVAC, and electrical work equal input into the preparation of the initial construction schedule.

2. Maintain a project progress schedule for all contractors.

3. Give adequate notice to all contractors to ensure efficient continuity of all phases of the work.

4. Notify the designer of any changes in the project schedule.

5. Recommend to the owner whether payment to a contractor shall be approved.

g. It shall be the responsibility of the Project Expediter to cooperate with and obtain from several prime contractors and subcontractors on the job, their respective work activities and integrate these activities into a project construction schedule in form of a detailed bar chart or Critical Path Method (CPM) schedule. Each prime contractor shall provide work activities within fourteen (14) days of request by the Project Expediter. A “work activity”, for scheduling purposes, shall be any component or contractual requirement of the project requiring at least one (1) day, but not more than fourteen (14) days, to complete or fulfill. The project construction schedule shall graphically show all salient features of the work required to construct the project from start to finish and within the allotted time established in the contract. The time (in days) between the contractor’s early completion and contractual completion dates is part of the project total float time;
and shall be used as such, unless amended by a change order. On a multi-prime project, each prime contractor shall review the proposed construction schedule and approve same in writing. The Project Expediter shall submit the proposed construction schedule to the designer for comments. The complete Project construction schedule shall be of the type set forth in the Supplementary General Condition or subparagraph (1) or (2) below, as appropriate:

1. For a project with total contracts of $500,000 or less, a bar chart schedule will satisfy the above requirement. The schedule shall indicate the estimated starting and completion dates for each major element of the work.

2. For a project with total contracts over $500,000, a Critical Path Method (CPM) schedule shall be utilized to control the planning and scheduling of the Work. The CPM schedule shall be the responsibility of the Project Expediter and shall be paid for by the Project Expediter.

**Bar Chart Schedule.** Where a bar chart schedule is required, it shall be time-scaled in weekly increments, shall indicate the estimated starting and completion dates for each major element of the work by trade and by area, level, or zone, and shall schedule dates for all salient features, including but not limited to the placing of orders for materials, submission of shop drawings and other Submittals for approval, approval of shop drawings by designers, the manufacture and delivery of material, the testing and the installation of materials, supplies and equipment, and all Work activities to be performed by the Contractor. The Contractor shall allow sufficient time in his schedule for all commissioning, required inspections and completion of final punch list(s). Each Work activity will be assigned a time estimate by the Contractor. One day shall be the smallest time unit used.

**CPM Schedule.** Where a CPM schedule is required, it shall be in time-scaled precedence format using the Project Expediter's logic and time estimates. The CPM schedule shall be drawn or plotted with activities grouped or zoned by Work area or subcontract as opposed to a random (or scattered) format. The CPM schedule shall be time-scaled on a weekly basis and shall be drawn or plotted at a level of detail and logic which will schedule all salient features of the work to be performed by the Contractor. The Contractor shall allow sufficient time in his schedule for all commissioning, required inspections and completion of final punch list(s). Each Work activity will be assigned a time estimate by the Contractor. One day shall be the smallest time unit used.

The CPM schedule will identify and describe each activity, state the duration of each activity, the calendar dates for the early and late start and the early and late finish of each activity, and clearly highlight all activities on the critical path. "Total float" and "free float" shall be indicated for all activities. Float time shall not be considered for the exclusive use or benefit of either the Owner or the Contractor, but must be allocated in the best interest of completing the Work within the Contract time. Extensions to the Contract time, when granted by Change Order, will be granted only when equitable time adjustment exceeds the Total Float in the activity or path of activities affected by the change.

**Early Completion of Project.** The Contractor may attempt to complete the project prior to the Contract Completion Date. However, such planned early completion shall be for the Contractor's convenience only and shall not create any additional rights of the Contractor or obligations of the Owner under this Contract, nor shall it change the Time for Completion or the Contract Completion Date. The Contractor shall not be required to pay liquidated damages to the Owner because of its failure to complete by its planned
earlier date. Likewise, the Owner shall not pay the Contractor any additional compensation for early completion nor will the Owner owe the Contractor any compensation should the Owner, its officers, employees, or agents cause the Contractor not to complete earlier than the date required by the Contract Documents.

h. The proposed project construction schedule shall be presented to the designer no later than fifteen (15) days after written notice to proceed. No application for payment will be processed until this schedule is accepted by the designer and owner.

i. The approved project construction schedule shall be distributed to all contractors and displayed at the job site by the Project Expediter.

j. The several contractors shall be responsible for their work activities and shall notify the project expediter of any necessary changes or adjustments to their work. The project Expediter shall maintain the project construction schedule, making biweekly adjustments, updates, corrections, etc., that are necessary to finish the project within the Contract time, keeping all contractors and the designer fully informed. Copy of a bar chart schedule annotated to show the current progress shall be submitted by the Contractor(s) to the designer, along with monthly request for payment. For project requiring CPM schedule, the Contractor shall submit a biweekly report of the status of all activities. The bar chart schedule or biweekly status report shall show the actual Work completed to date in comparison with the original Work scheduled for all activities. If any activities of the work of several contractors are behind schedule, the contractor must indicate in writing, what measures will be taken to bring each such activity back on schedule and to ensure that the Contract Completion Date is not exceeded. A plan of action and recovery schedule shall be developed and submitted to the designer by the Project Expediter, when (1) the contractor’s report indicates delays, that are in the opinion of the designer or the owner, of sufficient magnitude that the contractor’s ability to complete the work by the scheduled completion is brought into question; (2) the updated construction schedule is thirty (30) days behind the planned or baseline schedule and no legitimate time extensions, as determined by the designer, are in process; and (3) the contractor desires to make changes in the logic (sequencing of work) or the planned duration of future activities of the CPM schedule which, in the opinion of the designer or the owner, are of a major nature. The plan of action, when required shall be submitted to the Owner for review within two (2) business days of the Contractor receiving the Owner’s written demand. The recovery schedule, when required, shall be submitted to the Owner within five (5) calendar days of the Contractor’s receiving the Owner’s written demand. Failure to provide an updated construction schedule or a recovery schedule may be grounds for rejection of payment applications or withholding of funds as set forth in Article 33.

k. The project expediter shall notify each contractor of such events or time frames that are critical to the progress of the job. Such notice shall be timely and reasonable. Should the progress be delayed due to the work of any of the several contractors, it shall be the duty of the project expediter to immediately notify the contractor(s) responsible for such delay, the designer, the owner and other prime contractors. The designer shall determine the contractor(s) who caused the delays notify the bonding company of the responsible contractor(s) of the delays and shall make a recommendation to the owner regarding further action.

l. Designation as project expediter entails an additional project control responsibility and does not alter in any way the responsibility of the contractor so designated, nor the responsibility of the other contractors involved in the project. The project expeditor’s superintendent(s) shall be in attendance at the project site at all times when work is in progress unless conditions are beyond the control of the contractor or until termination of
the contract in accordance with the contract documents. It is understood that such superintendent shall be acceptable to the owner and designer and shall be the one who will be continued in that capacity for the duration of the project unless he ceases to be on the contractor’s payroll or the owner otherwise agrees. The time commitment of the project superintendent to the project shall be such as to insure satisfactory construction progress & coordination as determined by the project designer and owner and may be as stipulated in the Supplementary General Conditions.

ARTICLE 15 - SEPARATE CONTRACTS AND CONTRACTOR RELATIONSHIPS

a. Public contracts may be delivered by the following construction delivery methods: single-prime, dual (single-prime and separate-prime), construction manager at risk, and alternative contracting method as approved by the State Building Commission. The owner reserves the right to prepare separate specifications, receive separate bids, and award separate contracts for such other major items of work as may be in the best interest of the State. For the purposes of a single prime contract, refer to Article 1 – Definitions.

b. All contractors shall cooperate with each other in the execution of their work, and shall plan their work in such manner as to avoid conflicting schedules or delay of the work. See Article 14, Construction Supervision.

c. If any part of contractor's work depends upon the work of another contractor, defects which may affect that work shall be reported to the designer in order that prompt inspection may be made and the defects corrected. Commencement of work by a contractor where such condition exists will constitute acceptance of the other contractor’s work as being satisfactory in all respects to receive the work commenced, except as to defects which may later develop. The designer shall be the judge as to the quality of work and shall settle all disputes on the matter between contractors.

d. Any mechanical or electrical work such as sleeves, inserts, chases, openings, penetrations, etc., which is located in the work of the general contractor shall be built in by the general contractor. The respective mechanical and electrical contractors shall set all sleeves, inserts and other devices that are to be incorporated into the structure in cooperation and under the supervision of the general contractor. The responsibility for the exact location of such items shall be that of the mechanical and/or electrical contractor.

e. The designer and the owner shall have access to the work whenever it is in preparation and progress during normal working hours. The contractor shall provide facilities for such access so the designer may perform his functions under the contract documents.

f. Should a contractor cause damage to the work or property of another contractor, he shall be directly responsible, and upon notice, shall promptly settle the claim or otherwise resolve the dispute.

ARTICLE 16 - SUBCONTRACTS AND SUBCONTRACTORS

a. Within thirty (30) days after award of the contract, the contractor shall submit to the designer and to the owner a list giving the names and addresses of subcontractors and equipment and material suppliers he proposes to use, together with the scope of their respective parts of the work. Should any subcontractor be disapproved by the designer, the designer shall submit his reasons for disapproval in writing to the owner for the owner’s consideration with a copy to the contractor. If the owner concurs with the
designer's recommendation, the contractor shall submit a substitute for approval. The designer shall act promptly in the approval of subcontractors, and when approval of the list is given, no changes of subcontractors will be permitted except for cause or reason considered justifiable by the designer.

b. The designer will furnish to any subcontractor, upon request, evidence regarding amounts of money paid to the contractor on account of the subcontractor's work.

c. The contractor is and remains fully responsible for his own acts or omissions as well as those of any subcontractor or of any employee of either. The contractor agrees that no contractual relationship exists between the subcontractor and the owner in regard to the contract, and that the subcontractor acts on this work as an agent or employee of the contractor.

d. The owner reserves the right to limit the amount of portions of work to be subcontracted as hereinafter specified.

ARTICLE 17 - CONTRACTOR AND SUBCONTRACTOR RELATIONSHIPS

The contractor agrees that the terms of these contract documents shall apply equally to each subcontractor as to the contractor, and the contractor agrees to take such action as may be necessary to bind each subcontractor to these terms. The contractor further agrees to conform to the Code of Ethical Conduct as adopted by the Associated General Contractors of America, Inc., with respect to contractor-subcontractor relationships, and that payments to subcontractors shall be made in accordance with the provisions of G.S. 143-134.1 titled “Interest on final payments due to prime contractors: payments to subcontractors.”

a. On all public construction contracts which are let by a board or governing body of the state government or any political subdivision thereof, except contracts let by the Department of Transportation pursuant to G.S. 136-28.1, the balance due prime contractors shall be paid in full within 45 days after respective prime contracts of the project have been accepted by the owner, certified by the architect, engineer or designer to be completed in accordance with terms of the plans and specifications, or occupied by the owner and used for the purpose for which the project was constructed, whichever occurs first. Provided, however, that whenever the architect or consulting engineer in charge of the project determines that delay in completion of the project in accordance with terms of the plans and specifications is the fault of the contractor, the project may be occupied and used for the purposes for which it was constructed without payment of any interest on amounts withheld past the 45 day limit. No payment shall be delayed because of the failure of another prime contractor on such project to complete his contract. Should final payment to any prime contractor beyond the date such contracts have been certified to be completed by the designer or architect, accepted by the owner, or occupied by the owner and used for the purposes for which the project was constructed, be delayed by more than 45 days, said prime contractor shall be paid interest, beginning on the 46th day, at the rate of one percent (1%) per month or fraction thereof unless a lower rate is agreed upon on such unpaid balance as may be due. In addition to the above final payment provisions, periodic payments due a prime contractor during construction shall be paid in accordance with the payment provisions of the contract documents or said prime contractor shall be paid interest on any such unpaid amount at the rate stipulated above for delayed final payments. Such interest shall begin on the date the payment is due and continue until the date on which payment is made. Such due date may be established by the terms of the contract. Funds for payment of such interest on state-owned projects shall be obtained from the current budget of the owning department, institution or agency. Where a conditional acceptance
of a contract exists, and where the owner is retaining a reasonable sum pending correction of such conditions, interest on such reasonable sum shall not apply.

b. Within seven days of receipt by the prime contractor of each periodic or final payment, the prime contractor shall pay the subcontractor based on work completed or service provided under the subcontract. Should any periodic or final payment to the subcontractor be delayed by more than seven days after receipt of periodic or final payment by the prime contractor, the prime contractor shall pay the subcontractor interest, beginning on the eighth day, at the rate of one percent (1%) per month or fraction thereof on such unpaid balance as may be due.

c. The percentage of retainage on payments made by the prime contractor to the subcontractor shall not exceed the percentage of retainage on payments made by the owner to the prime contractor. Any percentage of retainage on payments made by the prime contractor to the subcontractor that exceeds the percentage of retainage on payments made by the owner to the prime contractor shall be subject to interest to be paid by the prime contractor to the subcontractor at the rate of one percent (1%) per month or fraction thereof.

d. Nothing in this section shall prevent the prime contractor at the time of application and certification to the owner from withholding application and certification to the owner for payment to the subcontractor for unsatisfactory job progress; defective construction not remedied; disputed work; third-party claims filed or reasonable evidence that claim will be filed; failure of subcontractor to make timely payments for labor, equipment and materials; damage to prime contractor or another subcontractor; reasonable evidence that subcontract cannot be completed for the unpaid balance of the subcontract sum; or a reasonable amount for retainage not to exceed the initial percentage retained by owner.

ARTICLE 18 - DESIGNER'S STATUS

a. The designer shall provide general administration of the performance of construction contracts, including liaison and necessary inspection of the work to ensure compliance with plans and specifications. He is the agent of the owner only for the purpose of constructing this work and to the extent stipulated in the contract documents. He has authority to direct work to be performed, to stop work, to order work removed, or to order corrections of faulty work where any such action by the designer may be necessary to assure successful completion of the work.

b. The designer is the impartial interpreter of the contract documents, and, as such, he shall exercise his powers under the contract to enforce faithful performance by both the owner and the contractor, taking sides with neither.

c. Should the designer cease to be employed on the work for any reason whatsoever, then the owner shall employ a competent replacement who shall assume the status of the former designer.

d. The designer and his consultants will make inspections of the project. They will inspect the progress, the quality and the quantity of the work.

e. The designer and the owner shall have access to the work whenever it is in preparation and progress during normal working hours. The contractor shall provide facilities for such access so the designer and owner may perform their functions under the contract documents.
f. Based on the designer's inspections and evaluations of the project, the designer shall issue interpretations, directives and decisions as may be necessary to administer the project. His decisions relating to artistic effect and technical matters shall be final, provided such decisions are within the limitations of the contract.

ARTICLE 19 - CHANGES IN THE WORK

a. The owner may have changes made in the work covered by the contract. These changes will not invalidate and will not relieve or release the contractor from any guarantee given by him pertinent to the contract provisions. These changes will not affect the validity of the guarantee bond and will not relieve the surety or sureties of said bond. All extra work shall be executed under conditions of the original contract.

b. Except in an emergency endangering life or property, no change shall be made by the contractor except upon receipt of an approved change order or written field order from the designer, countersigned by the owner. No claim for adjustments of the contract price shall be valid unless this procedure is followed.

A field order, transmitted by fax or hand-delivered, may be used where the change involved impacts the critical path of the work. A formal change order shall be issued as expeditiously as possible.

In the event of emergency endangering life or property, the contractor may be directed to proceed on a time and material basis whereupon the contractor shall proceed and keep accurately on such form as specified by the designer or owner, a correct account of costs together with all proper invoices, payrolls and supporting data. Upon completion of the work the change order will be prepared as outlined below under either c.1 or c.2 or both.

c. In determining the values of changes, either additive or deductive, contractors are restricted to the use of the following methods:

1. Where the extra work involved is covered by unit prices quoted in the proposal, or subsequently agreed to by the contractor, designer and owner, the value of the change shall be computed by application of unit prices based on quantities, estimated or actual as agreed on the items involved, except in such cases where a quantity exceeds the estimated quantity allowance in the contract by one hundred percent (100%) or more. In such cases, either party may elect to proceed under subparagraph c2 herein. If neither party elects to proceed under c2, then unit prices shall apply.

2. The contracting parties shall negotiate and agree upon the equitable value of the change prior to issuance of the change order, and the change order shall stipulate the corresponding lump sum adjustment to the contract price.

d. Under Paragraph b and c.2. above, the allowances for overhead and profit combined shall be as follows: all contractors (the single contracting entity (prime), his subcontractors (first tier), or their subcontractors (second tier, third tier, etc.) shall be allowed a maximum of ten percent (10%) on work they each self-perform; the prime contractor shall be allowed a maximum of five percent (5%) on contracted work of his first tier subcontractor; first tier, second tier, third tier, etc. subcontractors shall be allowed a maximum of two and one-half percent (2.5%) on the contracted work of their subcontractors. Under c.1. no additional allowances shall be made for overhead and profit. In the case of deductible change orders, under c.2. and b. above, the contractor shall include no less than five percent (5%) profit, but no allowances for overhead.
e. The term "net cost" as used herein shall mean the difference between all proper cost additions and deductions. The "cost" as used herein shall be limited to the following:

1. The actual costs of materials and supplies incorporated or consumed as part of the work.

2. The actual costs of labor expended on the project site. Labor expended in coordination, change order negotiation, record document maintenance, shop drawing revision or other tasks necessary to the administration of the project are considered overhead whether they take place in an office or on the project site.

3. The actual costs of labor burden, limited to the costs of social security (FICA) and Medicare/Medicaid taxes; unemployment insurance costs; health/dental/vision insurance premiums; paid employee leave for holidays, vacation, sick leave, and/or petty leave, not to exceed a total of 30 days per year; retirement contributions; worker’s compensation insurance premiums; and the costs of general liability insurance when premiums are computed based on payroll amounts; the total of which shall not exceed thirty percent (30%) of the actual costs of labor.

4. The actual costs of rental for tools, excluding hand tools; equipment; machinery; vehicles; and temporary facilities required for the work.

5. The actual costs of premiums for bonds, insurance, permit fees, and sales or use taxes related to the work.

Overtime and extra pay for holidays and weekends may be a cost item only to the extent approved by the owner.

f. Should concealed conditions be encountered in the performance of the work below grade, or should concealed or unknown conditions in an existing structure be at variance with the conditions indicated by the contract documents, the contract sum and time for completion may be equitably adjusted by change order upon claim by either party made within thirty (30) days after the condition has been identified. The cost of such change shall be arrived at by one of the foregoing methods. All change orders shall be supported by a unit cost breakdown showing method of arriving at net cost as defined above.

g. In all change orders, the procedure will be for the designer to request proposals for the change order work in writing. The contractor will provide such proposal and supporting data in suitable format. The designer shall verify correctness. Delay in the processing of the change order due to a lack of proper submittal by the contractor of all required supporting data shall not constitute grounds for a time extension or basis for a claim. Within fourteen (14) days after receipt of the contractor’s accepted proposal including all supporting documentation required by the designer, the designer shall prepare the change order and forward to the contractor for his signature or otherwise respond, in writing, to the contractor’s proposal. Within seven (7) days after receipt of the change order executed by the contractor, the designer shall certify the change order by his signature, and forward the change order and all supporting data to the owner for the owner’s approval. The owner shall approve and execute the change order within seven (7) days of receipt. In case of emergency or extenuating circumstances, approval of changes may be obtained verbally by telephone or field orders approved by all parties, then shall be substantiated in writing as outlined under normal procedure.
h. At the time of signing a change order, the contractor shall be required to certify as follows:

"I certify that my bonding company will be notified forthwith that my contract has been changed by the amount of this change order, and that a copy of the approved change order will be mailed upon receipt by me to my surety."

i. A change order, when issued, shall be full compensation, or credit, for the extra work included, omitted or substituted. It shall show on its face the adjustment in time for completion of the project as a result of the change in the work.

j. If, during the progress of the work, the owner requests a change order and the contractor's terms are unacceptable, the owner may require the contractor to perform such work on a time and material basis whereupon the contractor shall proceed and keep accurately on such form as specified by the designer or owner a correct account of the cost together with all proper invoices, payrolls and supporting data. Upon completion of the work a change order will be prepared with allowances for overhead and profit per paragraph d. above and "net cost" and "cost" per paragraph c. above. Without prejudice, nothing in this paragraph shall preclude the owner from performing or having performed that portion of the work requested in the change order.

ARTICLE 20 - CLAIMS FOR EXTRA COST

a. Should the contractor consider that as a result of instructions given by the designer, he is entitled to extra cost above that stated in the contract, he shall give written notice thereof to the designer within seven (7) days. The written notice shall clearly state that a claim for extra cost is being made and shall provide a detailed justification for the extra cost. The contractor shall not proceed with the work affected until further advised, except in emergency involving the safety of life or property, which condition is covered in Article 19(b) and Article 11(h). No claims for extra compensation shall be considered unless the claim is so made. The designer shall render a written decision within seven (7) days of receipt of claim.

b. The contractor shall not act on instructions received by him from persons other than the designer, and any claims for extra compensation or extension of time on account of such instruction will not be honored. The designer shall not be responsible for misunderstandings claimed by the contractor of verbal instructions which have not been confirmed in writing, and in no case shall instructions be interpreted as permitting a departure from the contract documents unless such instruction is confirmed in writing and supported by a properly authorized change order.

c. Should a claim for extra compensation by the contractor that complies with the requirements of (a) above be denied by the designer or owner, and cannot be resolved by a representative of The University of North Carolina General Administration, the contractor may request a mediation in connection with G.S. 143-128(f1) in the dispute resolution rules adopted by the State Building Commission (1 N.C.A.C. 30H .0101 through .1001). If the contractor is unable to resolve its claims as a result of mediation, the contractor may pursue his claim in accordance with the provisions of G.S. 143-135.3 and the following:

1. A contractor who has not completed a contract with an institution of The University of North Carolina and who has not received the amount he claims is due under the contract may submit a verified written claim to the Associate Vice President for
Finance & University Property Officer of The University of North Carolina General Administration for the amount the contractor claims is due. If the claim remains unresolved after review by the Associate Vice President for Finance, the contractor may submit the verified written claim to the Director of the State Construction Office of the Department of Administration for the amount the contractor claims is due. The Director may deny, allow or compromise the claim, in whole or in part. A claim under this subsection is not a contested case under Chapter 150B of the General Statutes.

2. (a) A contractor who has completed a contract with an institution of University of North Carolina for construction or repair work and who has not received the amount he claims is due under the contract may submit a verified written claim to the Associate Vice President for Finance & University Property Officer of The University of North Carolina General Administration for the amount the contractor claims is due. If the claim remains unresolved after review by the Associate Vice President for Finance, the contractor may submit the verified written claim to the Director of the State Construction Office of the Department of Administration for the amount the contractor claims is due. The claim shall be submitted within sixty (60) days after the contractor receives a final statement of the Associate Vice President’s disposition of his claim and shall state the factual basis for the claim.

(b) The Director shall investigate a submitted claim within ninety (90) days of receiving the claim, or within any longer time period upon which the Director and the contractor agree. The contractor may appear before the Director, either in person or through counsel, to present facts and arguments in support of his claim. The Director may allow, deny or compromise the claim, in whole or in part. The Director shall give the contractor a written statement of the Director’s decision on the contractor’s claim.

(c) A contractor who is dissatisfied with the Director’s decision on a claim submitted under this subsection may commence a contested case on the claim under Chapter 150B of the General Statutes. The contested case shall be commenced within sixty (60) days of receiving the director’s written statement of the decision.

(d) As to any portion of a claim that is denied by the director, the contractor may, in lieu of the procedures set forth in the preceding subsection of this section, within six (6) months of receipt of the director’s final decision, institute a civil action for the sum he claims to be entitled to under the contract by filing a verified complaint and the issuance of a summons in the Superior Court of Wake County or in the superior court of any county where the work under the contract was performed. The procedure shall be the same as in all civil actions except that all issues shall be tried by the judge, without a jury.

ARTICLE 21 - MINOR CHANGES IN THE WORK

The designer will have the authority to order minor changes in the work not involving an adjustment in the contract sum or time for completion, and not inconsistent with the intent of the contract documents. Such changes shall be effected by written order, copied to the owner, and shall be binding on the owner and the contractor.
ARTICLE 22 - UNCORRECTED FAULTY WORK

Should the correction of faulty or damaged work be considered inadvisable or inexpedient by the owner and the designer, the owner shall be reimbursed by the contractor. A change order will be issued to reflect a reduction in the contract sum.

ARTICLE 23 - TIME OF COMPLETION, DELAYS, EXTENSION OF TIME

a. The time of completion is stated in the Supplementary General Conditions and in the Form of Construction Contract. The Project Expediter, upon notice of award of contract, shall prepare a construction schedule to complete the project within the time of completion as required by Article 14.

b. The contractors shall commence work to be performed under this agreement on a date to be specified in a written Notice to Proceed from the designer and shall fully complete all work hereunder within the time of completion stated. Time is of the essence and the contractor acknowledges the owner will likely suffer financial damage for failure to complete the work within the time of completion. For each day in excess of the above number of days, the contractor(s) shall pay the owner the sum stated as liquidated damages reasonably estimated in advance to cover the losses to be incurred by the owner by reason of failure of said contractor(s) to complete the work within the time specified, such time being in the essence of this contract and a material consideration thereof.

c. In the event of multiple prime contractors, the designer shall be the judge as to the division of responsibility between the contractor(s), based on the construction schedule, weekly reports and job records, and shall apportion the amount of liquidated damages to be paid by each of them, according to delay caused by any or all of them.

d. If the contractor is delayed at any time in the progress of his work solely by any act or negligence of the owner, the designer, or by any employee of either; by any separate contractor employed by the owner; by changes ordered in the work; by labor disputes at the project site; by abnormal weather conditions not reasonably anticipated for the locality where the work is performed; by unavoidable casualties; by any causes beyond the contractor's control; or by any other causes which the designer and owner determine may justify the delay, then the contract time may be extended by change order only for the time which the designer and owner may determine is reasonable.

Time extensions will not be granted for rain, wind, snow or other natural phenomena of normal intensity for the locality where work is performed. For purpose of determining extent of delay attributable to unusual weather phenomena, a determination shall be made by comparing the weather for the contract period involved with the average of the preceding five (5) year climatic range during the same time interval based on the National Oceanic and Atmospheric Administration National Weather Service statistics for the locality where work is performed and on daily weather logs kept on the job site by the contractor reflecting the effect of the weather on progress of the work and initialed by the designer's representative. No weather delays shall be considered after the building is dried in unless work claimed to be delayed is on the critical path of the baseline schedule or approved updated schedule. Time extensions for weather delays, acts of God, labor disputes, fires, delays in transportation, unavoidable casualties or other delays which are beyond the control of the owner do not entitle the contractor to compensable damages for delay. Any contractor claim for compensable damages for delays is limited to delays caused solely by the owner or its agents. Contractor caused
delays shall be accounted for before owner or designer caused delays in the case of concurrent delays.

e. Request for extension of time shall be made in writing to the designer with copies to the owner within twenty (20) days following cause of delay. In case of continuing cause for delay, the contractor shall notify the designer in writing with copies to the owner of the delay within twenty (20) days of the beginning of the delay and only one claim is necessary.

f. The contractor shall notify his surety in writing of extension of time granted.

g. No claim for time extension shall be allowed on account of failure of the designer to furnish drawings or instructions until twenty (20) days after demand for such drawings and/or instructions. See Article 5c. Demand must be in written form clearly stating the potential for delay unless the drawings or instructions are provided. Any delay granted will begin after the twenty (20) day demand period is concluded.

ARTICLE 24 - PARTIAL UTILIZATION BENEFICIAL OCCUPANCY

a. The owner may desire to occupy or utilize all or a portion of the project prior to completion of the project.

b. Should the owner request a utilization of the building or portion thereof, the designer shall perform a designer final inspection of the area after being notified by the contractor that the area is ready for such. After the contractor has completed designer final inspection punch list and the designer has verified, the designer shall schedule a beneficial occupancy inspection at a time and date acceptable to the owner, contractor(s) and State Construction Office. If beneficial occupancy is granted by the owner and State Construction Office, in such areas the following will be established:

1. The beginning of guarantees and warranties period for the equipment necessary to provide support in the area.

2. The owner assumes all responsibilities for utility costs for the entire building

3. Contractor will obtain consent of surety.

4. Contractor will obtain endorsement from insurance company permitting beneficial occupancy.

c. The owner shall have the right to exclude the contractor from any part of the project which the designer has so certified to be substantially complete, but the owner will allow the contractor reasonable access to complete or correct work to bring it into compliance with the contract.

d. Occupancy by the owner under this article will in no way relieve the contractor from his contractual requirement to complete the project within the specified time. The contractor will not be relieved of liquidated damages because of beneficial occupancy. The designer may prorate liquidated damages based on the percentage of project occupied.

ARTICLE 25 - FINAL INSPECTION, ACCEPTANCE AND PROJECT CLOSEOUT

a. Upon notification from the contractor(s) that the project is complete and ready for inspection, the designer shall make a designer final inspection to verify that the project is
complete and ready for owner and SCO final inspection. Prior to owner & SCO final inspection, the contractor(s) shall complete all items requiring corrective measures noted at the designer final inspection. The designer shall schedule a SCO final inspection at a time and date acceptable to the owner, contractor(s) and State Construction Office.

b. At the SCO final inspection, the designer and his consultants shall, if job conditions warrant, record a list of items that are found to be incomplete or not in accordance with the contract documents. At the conclusion of the SCO final inspection, the designer, the owner and State Construction Office representatives shall make one of the following determinations:

1. That the project is completed and accepted.

2. That the project will be accepted subject to correction of the list of discrepancies (punch list). All punch list items must be completed within thirty (30) days of SCO final inspection or the owner may invoke Article 28, Owner's Right to Do Work.

3. That the project is not complete and another date for a SCO final inspection will be established.

c. Within fourteen (14) days of final acceptance per Paragraph b1 or within fourteen (14) days after completion of punch list per Paragraph b2 above, the designer shall certify the work and issue applicable certificate(s) of compliance.

d. Any discrepancies listed or discovered after the date of SCO final inspection and acceptance under Paragraphs b1 or b2 above, shall be handled in accordance with Article 42, Guarantee.

e. The final acceptance date will establish the following:

1. The beginning of guarantees and warranties period.

2. The date on which the contractor's insurance coverage for public liability, property damage and builder's risk may be terminated.

3. That no liquidated damages (if applicable) shall be assessed after this date.

4. The termination date of utility cost to the contractor.

f. Prior to issuance of final acceptance date, the contractor shall have his authorized representatives visit the project and give full instructions to the owner's designated personnel regarding operating, maintenance, care, and adjustment of all equipment and special construction elements. In addition, the contractor shall provide the owner a complete instructional video (media format acceptable to the owner) on the operation, maintenance, care, and adjustment of all equipment and special construction elements.

**ARTICLE 26 - CORRECTION OF WORK BEFORE FINAL PAYMENT**

a. Any work, materials, fabricated items or other parts of the work which have been condemned or declared not in accordance with the contract by the designer shall be promptly removed from the work site by the contractor, and shall be immediately replaced by new work in accordance with the contract at no additional cost to the owner. Work or property of other contractors or the owner, damaged or destroyed by virtue of
such faulty work, shall be made good at the expense of the contractor whose work is faulty.

b. Correction of condemned work described above shall commence within twenty-four (24) hours after receipt of notice from the designer, and shall make satisfactory progress, as determined by the designer, until completed.

c. Should the contractor fail to proceed with the required corrections, then the owner may complete the work in accordance with the provisions of Article 28.

ARTICLE 27 - CORRECTION OF WORK AFTER FINAL PAYMENT

See Article 35, Performance Bond and Payment Bond, and Article 42, Guarantee. Neither the final certificate, final payment, occupancy of the premises by the owner, nor any provision of the contract, nor any other act or instrument of the owner, nor the designer, shall relieve the contractor from responsibility for negligence, or faulty material or workmanship, or failure to comply with the drawings and specifications. The contractor shall correct or make good any defects due thereto and repair any damage resulting therefrom which may appear during the guarantee period following final acceptance of the work except as stated otherwise under Article 42, Guarantee. The owner will report any defects as they may appear to the contractor and establish a time limit for completion of corrections by the contractor. The owner will be the judge as to the responsibility for correction of defects.

ARTICLE 28 - OWNER'S RIGHT TO DO WORK

If, during the progress of the work or during the period of guarantee, the contractor fails to prosecute the work properly or to perform any provision of the contract, the owner, after seven (7) days' written notice sent by certified mail, return receipt requested, to the contractor from the designer, may perform or have performed that portion of the work. The cost of the work may be deducted from any amounts due or to become due to the contractor, such action and cost of same having been first approved by the designer. Should the cost of such action of the owner exceed the amount due or to become due the contractor, then the contractor or his surety, or both, shall be liable for and shall pay to the owner the amount of said excess.

ARTICLE 29 - ANNULMENT OF CONTRACT

If the contractor fails to begin the work under the contract within the time specified, or the progress of the work is not maintained on schedule, or the work is not completed within the time above specified, or fails to perform the work with sufficient workmen and equipment or with sufficient materials to ensure the prompt completion of said work, or shall perform the work unsuitably or shall discontinue the prosecution of the work, or if the contractor shall become insolvent or be declared bankrupt or commit any act of bankruptcy or insolvency, or allow any final judgment to stand against him unsatisfied for a period of forty-eight (48) hours, or shall make an assignment for the benefit of creditors, or for any other cause whatsoever shall not carry on the work in an acceptable manner, the owner may give notice in writing, sent by certified mail, return receipt requested, to the contractor and his surety of such delay, neglect or default, specifying the same, and if the contractor within a period of seven (7) days after such notice shall not proceed in accordance therewith, then the owner shall, declare this contract in default, and, thereupon, the surety shall promptly take over the work and complete the performance of this contract in the manner and within the time frame specified. In the event the surety shall fail to take over the work to be done under this contract within seven (7) days after being so notified and notify the owner in writing, sent by certified mail, return receipt requested, that he is taking the same over and stating that he will diligently pursue and complete the same, the owner shall have full power and authority,
without violating the contract, to take the prosecution of the work out of the hands of said contractor, to appropriate or use any or all contract materials and equipment on the grounds as may be suitable and acceptable and may enter into an agreement, either by public letting or negotiation, for the completion of said contract according to the terms and provisions thereof or use such other methods as in his opinion shall be required for the completion of said contract in an acceptable manner. All costs and charges incurred by the owner, together with the costs of completing the work under contract, shall be deducted from any monies due or which may become due said contractor and surety. In case the expense so incurred by the owner shall be less than the sum which would have been payable under the contract, if it had been completed by said contractor, then the said contractor and surety shall be entitled to receive the difference, but in case such expense shall exceed the sum which would have been payable under the contract, then the contractor and the surety shall be liable and shall pay to the owner the amount of said excess.

ARTICLE 30 - CONTRACTOR'S RIGHT TO STOP WORK OR TERMINATE THE CONTRACT

a. Should the work be stopped by order of a court having jurisdiction, or by order of any other public authority for a period of three months, due to cause beyond the fault or control of the contractor, or if the owner should fail or refuse to make payment on account of a certificate issued by the designer within forty-five (45) days after receipt of same, then the contractor, after fifteen (15) days' written notice sent by certified mail, return receipt requested, to the owner and the designer, may suspend operations on the work or terminate the contract.

b. The owner shall be liable to the contractor for the cost of all materials delivered and work performed on this contract plus ten (10) percent overhead and profit and shall make such payment. The designer shall be the judge as to the correctness of such payment.

ARTICLE 31 - REQUEST FOR PAYMENT

a. Not later than the fifth day of the month, the contractor shall submit to the designer a request for payment for work done during the previous month. The request shall be in the form agreed upon between the contractor and the designer, but shall show substantially the value of work done and materials delivered to the site during the period since the last payment, and shall sum up the financial status of the contract with the following information:

1. Total of contract including change orders.

2. Value of work completed to date.

3. Less five percent (5%) retainage, provided however, that after fifty percent (50%) of the contractor’s work has been satisfactorily completed on schedule, with approval of the owner and written consent of the surety, further requirements for retainage will be waived only so long as work continues to be completed satisfactorily and on schedule.

4. Less previous payments.

5. Current amount due.
b. The contractor, upon request of the designer, shall substantiate the request with invoices of vouchers or payrolls or other evidence.

c. Prior to submitting the first request, the contractor shall prepare for the designer a schedule showing a breakdown of the contract price into values of the various parts of the work, so arranged as to facilitate payments to subcontractors in accordance with Article 17, Contractor and Subcontractor Relationships. The contractor(s) shall list the value of each subcontractor and supplier, identifying each minority business subcontractor and supplier as listed in Affidavit C, if applicable.

d. When payment is made on account of stored materials and equipment, such materials must be stored on the owner's property, and the requests for payments shall be accompanied by invoices or bills of sale or other evidence to establish the owner's title to such materials and equipment. Such payments will be made only for materials that have been customized or fabricated specifically for this project. Raw materials or commodity products including but not limited to piping, conduit, CMU, metal studs and gypsum board may not be submitted. Responsibility for such stored materials and equipment shall remain with the contractor regardless of ownership title. Such stored materials and equipment shall not be removed from the owner's property. Should the space for storage on-site be limited, the contractor, at his option, shall be permitted to store such materials and/or equipment in a suitable space off-site. Should the contractor desire to include any such materials or equipment in his application for payment, they must be stored in the name of the owner in an independent, licensed, bonded warehouse approved by the designer and the owner and located as close to the site as possible. The warehouse selected must be approved by the contractor's bonding and insurance companies; the material to be paid for shall be assigned to the owner and shall be inspected by the designer. Upon approval by the designer and owner of the storage facilities and materials and equipment, payment therefore will be certified. Responsibility for such stored materials and equipment shall remain with the contractor. Such stored materials and equipment shall not be moved except for transportation to the project site. Under certain conditions, the designer may approve storage of materials at the point of manufacture, which conditions shall be approved by the designer and the owner prior to approval for the storage and shall include an agreement by the storing party which unconditionally gives the State absolute right to possession of the materials at anytime. Bond, security and insurance protection shall continue to be the responsibility of the contractor(s).

e. On projects requiring a Critical Path Method (CPM) construction schedule, the project expeditor will submit with each monthly pay application to the designer a current CPM schedule in a computerized precedence network format on a compact disc. The schedule will include all construction activities to be accomplished during the project to be properly sequenced and coordinated with elements of the work. The schedule shall be assembled from input presented and mutually coordinated by all the contractors (and/or subcontractors) and integrated into a single, overall schedule. The project expeditor will show all the scheduled work activities, including their subcontractors, and the sequence and interdependence (predecessors and successors) of the activities. The schedule shall show the total project duration including milestone dates. The critical path shall be clearly indicated. The schedule shall be in such a format that it can be read (imported) in Microsoft Project or Primavera P6. Failure to submit the construction schedule on compact disc media in an acceptable format will result in the pay application being denied.

f. In the event of beneficial occupancy, retainage of funds due the contractor(s) may be reduced with the approval of the owner to an equitable amount to cover the list of items
to be completed or corrected. Retainage may not be reduced to less than two and one-half (2 1/2) times the estimated value of the work to be completed or corrected. Reduction of retainage must be with the consent and approval of the contractor's bonding company.

**ARTICLE 32 - CERTIFICATES OF PAYMENT AND FINAL PAYMENT**

a. Within five (5) days from receipt of request for payment from the contractor, the designer shall issue and forward to the owner a certificate for payment. This certificate shall indicate the amount requested or as approved by the designer. If the certificate is not approved by the designer, he shall state in writing to the contractor and the owner his reasons for withholding payment.

b. No certificate issued or payment made shall constitute an acceptance of the work or any part thereof. The making and acceptance of final payment shall constitute a waiver of all claims by the owner except:

1. Claims arising from unsettled liens or claims against the contractor.
2. Faulty work or materials appearing after final payment.
3. Failure of the contractor to perform the work in accordance with drawings and specifications, such failure appearing after payment.
4. As conditioned in the performance bond and payment bond.

c. The making and acceptance of final payment shall constitute a waiver of all claims by the contractor except those claims previously made and remaining unsettled (Article 20(c)).

d. Prior to submitting request for final payment to the designer for approval, the contractor shall fully comply with all requirements specified in the “project closeout” section of the specifications. These requirements include but are not limited to the following:

1. Submittal of Product and Operating Manuals, Warranties and Bonds, Guarantees, Maintenance Agreements, As-Built Drawings, Certificates of Inspection or Approval from agencies having jurisdiction. (The designer must approve the Manuals prior to delivery to the owner).
2. Transfer of Required attic stock material and all keys in an organized manner.
3. Record of Owner’s training.
4. Resolution of any final inspection discrepancies.
5. Granting access to contractor’s records, if owner’s internal auditors have made a request for such access pursuant to Article 52.

e. The contractor shall forward to the designer, the final application for payment along with the following documents:

1. List of minority business subcontractors and material suppliers showing breakdown of contract amounts and total actual payments to subcontractors and material suppliers.

3. Affidavit of contractors of payment to material suppliers and subcontractors. (See Article 36).

4. Consent of Surety to Final Payment.

5. Certificates of state agencies required by state law.

f. The designer will not authorize final payment until the work under contract has been certified by designer, certificates of compliance issued, and the contractor has complied with the closeout requirements. The designer shall forward the contractor’s final application for payment to the owner along with respective certificate(s) of compliance required by law.

**ARTICLE 33 - PAYMENTS WITHHELD**

a. The designer with the approval of the owner may withhold payment for the following reasons:

1. Faulty work not corrected.

2. The unpaid balance on the contract is insufficient to complete the work in the judgment of the designer.

3. To provide for sufficient contract balance to cover liquidated damages that will be assessed.

b. The owner may authorize the withholding of payment for the following reasons:

1. Claims filed against the contractor or evidence that a claim will be filed.

2. Evidence that subcontractors have not been paid.

c. The owner may withhold all or a portion of the contractor’s general conditions costs set forth in the approved schedule of values if the contractor has failed to comply with: (1) a request to access its records by the owner’s internal auditors pursuant to Article 52; (2) a request for a plan of action and/or recovery schedule under Article 14j; (3) a request to provide electronic copies of contractor’s baseline schedule and/or updates with all logic used to create schedules in the original format of the scheduling software; and (4) contractor’s failure to have its superintendent on the project as provided in Article14.1 and/or as stipulated in the Supplementary General Conditions.

d. When grounds for withholding payments have been removed, payment will be released. Delay of payment due the contractor without cause will make owner liable for payment of interest to the contractor in accordance with G.S. 143-134.1. As provided in G.S. 143-134.1(e) the owner shall not be liable for interest on payments withheld by the owner for unsatisfactory job progress, defective construction not remedied, disputed work, or third party-claims filed against the owner or reasonable evidence that a third-party claim will be filed.

**ARTICLE 34 - MINIMUM INSURANCE REQUIREMENTS**
The work under this contract shall not commence until the contractor has obtained all required insurance and verifying certificates of insurance have been approved in writing by the owner. These certificates shall document that coverage afforded under the policies will not be cancelled, reduced in amount or coverages eliminated until at least thirty (30) days after mailing written notice, by certified mail, return receipt requested, to the insured and the owner of such alteration or cancellation. If endorsements are needed to comply with the notification or other requirements of this article copies of the endorsements shall be submitted with the certificates.

a. **Worker's Compensation and Employer's Liability**

The contractor shall provide and maintain, until final acceptance, workmen's compensation insurance, as required by law, as well as employer's liability coverage with minimum limits of $100,000.

b. **Public Liability and Property Damage**

The contractor shall provide and maintain, until final acceptance, comprehensive general liability insurance, including coverage for premises operations, independent contractors, completed operations, products and contractual exposures, as shall protect such contractors from claims arising out of any bodily injury, including accidental death, as well as from claims for property damages which may arise from operations under this contract, whether such operations be by the contractor or by any subcontractor, or by anyone directly or indirectly employed by either of them and the minimum limits of such insurance shall be as follows:

- **Bodily Injury:** $500,000 per occurrence
- **Property Damage:** $100,000 per occurrence / $300,000 aggregate

In lieu of limits listed above, a $500,000 combined single limit shall satisfy both conditions.

Such coverage for completed operations must be maintained for at least two (2) years following final acceptance of the work performed under the contract.

c. **Property Insurance (Builder's Risk/ Installation Floater)**

The contractor shall purchase and maintain property insurance until final acceptance, upon the entire work at the site to the full insurable value thereof. This insurance shall include the interests of the owner, the contractor, the subcontractors and subcontractors in the work and shall insure against the perils of fire, wind, rain, flood, extended coverage, and vandalism and malicious mischief. If the owner is damaged by failure of the contractor to purchase or maintain such insurance, then the contractor shall bear all reasonable costs properly attributable thereto; the contractor shall effect and maintain similar property insurance on portions of the work stored off the site when request for payment per articles so includes such portions.

d. **Deductible**

Any deductible, if applicable to loss covered by insurance provided, is to be borne by the contractor.

e. **Other Insurance**
The contractor shall obtain such additional insurance as may be required by the owner or by the General Statutes of North Carolina including motor vehicle insurance, in amounts not less than the statutory limits.

f. **Proof of Carriage**

The contractor shall furnish the owner with satisfactory proof of carriage of the insurance required before written approval is granted by the owner.

**ARTICLE 35 - PERFORMANCE BOND AND PAYMENT BOND**

a. Each contractor shall furnish a performance bond and payment bond executed by a surety company authorized to do business in North Carolina. The bonds shall be in the full contract amount. Bonds shall be executed in the form bound with these specifications.

b. All bonds shall be countersigned by an authorized agent of the bonding company who is licensed to do business in North Carolina.

**ARTICLE 36 - CONTRACTOR'S AFFIDAVIT**

The final payment of retained amount due the contractor on account of the contract shall not become due until the contractor has furnished to the owner through the designer an affidavit signed, sworn and notarized to the effect that all payments for materials, services or subcontracted work in connection with his contract have been satisfied, and that no claims or liens exist against the contractor in connection with this contract. In the event that the contractor cannot obtain similar affidavits from subcontractors to protect the contractor and the owner from possible liens or claims against the subcontractor, the contractor shall state in his affidavit that no claims or liens exist against any subcontractor to the best of his (the contractor's) knowledge, and if any appear afterward, the contractor shall save the owner harmless.

**ARTICLE 37 - ASSIGNMENTS**

The contractor shall not assign any portion of this contract nor subcontract in its entirety. Except as may be required under terms of the performance bond or payment bond, no funds or sums of money due or become due the contractor under the contract may be assigned.

**ARTICLE 38 - USE OF PREMISES**

a. The contractor(s) shall confine his apparatus, the storage of materials and the operations of his workmen to limits indicated by law, ordinances, permits or directions of the designer and owner and shall not exceed those established limits in his operations.

b. The contractor(s) shall not load or permit any part of the structure to be loaded with a weight that will endanger its safety.

c. The contractor(s) shall enforce the designer's and owner's instructions regarding signs, advertisements, fires and smoking.

d. No firearms, any type of alcoholic beverages, or drugs (other than those prescribed by a physician) will be permitted at the job site.
ARTICLE 39 - CUTTING, PATCHING AND DIGGING

a. The contractor shall do all cutting, fitting or patching of his work that may be required to make its several parts come together properly and fit it to receive or be received by work of other contractors shown upon or reasonably implied by the drawings and specifications for the completed structure, as the designer may direct.

b. Any cost brought about by defective or ill-timed work shall be borne by the party responsible therefor.

c. No contractor shall endanger any work of another contractor by cutting, digging or other means. No contractor shall cut or alter the work of any other contractor without the consent of the designer and the affected contractor(s).

ARTICLE 40 - UTILITIES, STRUCTURES, SIGNS

a. The contractor shall provide necessary and adequate facilities for water, electricity, gas, oil, sewer and other utility services which may be necessary and required for completion of the project including all utilities required for testing, cleaning, balancing and sterilization of designated plumbing, mechanical and electrical systems. Any permanent meters installed shall be listed in the contractor’s name until work has a final acceptance. The contractor will be solely responsible for all utility costs prior to final acceptance unless stipulated otherwise in the project specifications. The contractor shall contact all affected utility companies prior to bid to determine their requirements to provide temporary and permanent service and include all costs associated with providing those services in their bid unless otherwise stipulated. Coordination of the work of the utility companies during construction is the sole responsibility of the contractor.

b. Meters shall be relisted in the owner's name on the day following final acceptance of the work, and the owner shall pay for services used after that date.

c. The owner shall be reimbursed for all metered utility charges after the meter is relisted in the owner’s name and prior to completion and acceptance of the work of all contractors. Reimbursement shall be made by the contractor whose work has not been completed and accepted. If the work of two or more contractors has not been completed and accepted, reimbursement to the owner shall be paid by the contractors involved on the basis of assessments by the designer.

d. Prior to the operation of permanent systems, the General Contractor will provide temporary power, lighting, water, and heat to maintain space temperature above freezing, as required for construction operations.

e. All contractors shall have the permanent building systems in sufficient readiness for furnishing temporary climatic control at the time a building is enclosed and secured. The HVAC systems shall maintain climatic control throughout the enclosed portion of the building sufficient to allow completion of the interior finishes of the building. A building shall be considered enclosed and secured when windows, doorways (exterior, mechanical, and electrical equipment rooms), and hardware are installed; and other openings have protection which will provide reasonable climatic control. The appropriate time to start the mechanical systems and climatic condition shall be jointly determined by the contractor(s), the designer and the owner. Use of the equipment in this manner shall be subject to the approval of the designer and owner and shall in no way affect the warranty requirements of the contractor(s).
f. The electrical contractor shall have the building's permanent power wiring distribution system in sufficient readiness to provide power as required by the HVAC contractor for temporary climatic control.

g. The electrical contractor shall have the building's permanent lighting system ready at the time the general contractor begins interior painting and shall provide adequate lighting in those areas where interior painting and finishing is being performed.

h. Each prime contractor shall be responsible for his permanently fixed service facilities and systems in use during progress of the work. The following procedures shall be strictly adhered to:

1. Prior to acceptance of work by the State Construction Office and owner, each contractor shall remove and replace any parts of the permanent building systems damaged through use during construction.

2. Temporary filters as recommended by the equipment manufacturer in order to keep the equipment and ductwork clean and free of dust and debris shall be installed in each of the heating and air conditioning units and at each return grille during construction. New filters shall be installed in each unit prior to the owner's acceptance of the work.

3. Extra effort shall be maintained to keep the building and the site adjacent to the building clean and under no circumstances shall air systems be operated if finishing operations are creating dust in excess of what would be considered normal if the building were occupied.

4. It shall be understood that any warranty on equipment presented to the owner shall extend from the day of final acceptance by the owner. The cost of warranting the equipment during operation in the finishing stages of construction shall be borne by the contractor whose system is utilized.

5. The electrical contractor shall have all lamps in proper working condition at the time of final project acceptance.

i. The General Contractor shall provide, if required and where directed, a shed for toilet facilities and shall furnish and install in this shed all water closets required for a complete and adequate sanitary arrangement. These facilities will be available to other contractors on the job and shall be kept in a neat and sanitary condition at all times. Chemical toilets are acceptable.

j. The General Contractor shall, if required by the Supplementary General Conditions and where directed, erect a temporary field office, complete with lights, telephone, heat and air conditioning. A portion of this office shall be partitioned off, of sufficient size, for the use of a resident inspector, should the designer so direct.

k. On multi-story construction projects, the General Contractor shall provide temporary elevators, lifts, or other special equipment for the general use of all contractors. The cost for such elevators, lifts or other special equipment and the operation thereof shall be included in the General Contractor's bid.

l. The General Contractor will erect one sign on the project if required. The sign shall be of sound construction, and shall be neatly lettered with black letters on white background.
The sign shall bear the name of the project, and the names of prime contractors on the project, and the name of the designer and consultants. Directional signs may be erected on the owner's property subject to approval of the owner with respect to size, style and location of such directional signs. Such signs may bear the name of the contractor and a directional symbol. No other signs will be permitted except by permission of the owner.

ARTICLE 41 - CLEANING UP

a. The contractors shall keep the building and surrounding area reasonably free from rubbish at all times, and shall remove debris from the site on a timely basis or when directed to do so by the designer or General Contractor. The General Contractor shall provide an on site refuse container(s) for the use of all contractors. Each contractor shall remove their rubbish and debris from the building on a daily basis. The General Contractor shall broom clean the building as required to minimize dust and dirt accumulation.

b. The General Contractor shall provide and maintain suitable all-weather access to the building.

c. Before final inspection and acceptance of the building, each contractor shall clean his portion of the work, including glass, hardware, fixtures, masonry, tile and marble (using no acid), clean and wax all floors as specified, and completely prepare the building for use by the owner, with no cleaning required by the owner.

ARTICLE 42 - GUARANTEE

a. The contractor shall unconditionally guarantee materials and workmanship against patent defects arising from faulty materials, faulty workmanship or negligence for a period of twelve (12) months following the date of final acceptance of the work or beneficial occupancy; and shall replace such defective materials or workmanship without cost to the owner.

b. Where items of equipment or material carry a manufacturer’s warranty for any period in excess of twelve (12) months, then the manufacturer's warranty shall apply for that particular piece of equipment or material. The contractor shall replace such defective equipment or materials, without cost to the owner, within the manufacturer's warranty period.

c. Additionally, the owner may bring an action for latent defects caused by the negligence of the contractor which is hidden or not readily apparent to the owner at the time of beneficial occupancy or final acceptance, whichever occurred first, in accordance with applicable law.

d. Guarantees for roof, equipment, materials, and supplies shall be stipulated in the specifications sections governing such roof, equipment, materials, or supplies.

ARTICLE 43 - CODES AND STANDARDS

Wherever reference is given to codes, standard specifications or other data published by regulating agencies including, but not limited to, national electrical codes, North Carolina state building codes, federal specifications, ASTM specifications, various institute specifications, etc., it shall be understood that such reference is to the latest edition including addenda published prior to the date of the contract documents.
ARTICLE 44 - INDEMNIFICATION

To the fullest extent permitted by law, the contractor shall indemnify and hold harmless the owner, the designer and the agents, consultants and employees of the owner and designer, from and against all claims, damages, losses and expenses, including, but not limited to, attorneys' fees, arising out of or resulting from the performance or failure of performance of the work, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the work itself) including the loss of use resulting therefrom, and (2) is caused in whole or in part by any negligent act or omission of the contractor, the contractor's subcontractor, or the agents of either the contractor or the contractor's subcontractor. Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this article.

ARTICLE 45 - TAXES

a. Federal excise taxes do not apply to materials entering into state work (Internal Revenue Code, Section 3442(3)).

b. Federal transportation taxes do not apply to materials entering into state work (Internal Revenue Code, Section 3475(b) as amended).

c. North Carolina sales tax and use tax, as required by law, do apply to materials entering into state work, and such costs shall be included in the bid proposal and contract sum.

d. Local option sales and use taxes, as required by law, do apply to materials entering into state work as applicable, and such costs shall be included in the bid proposal and contract sum.

e. Accounting Procedures for Refund of County Sales & Use Tax

Amount of county sales and use tax paid per contractor's statements:

Contractors performing contracts for state agencies shall give the state agency for whose project the property was purchased a signed statement containing the information listed in G.S. 105-164.14(e).

The Department of Revenue has agreed that in lieu of obtaining copies of sales receipts from contractors, an agency may obtain a certified statement from the contractor setting forth the date, the type of property and the cost of the property purchased from each vendor, the county in which the vendor made the sale and the amount of local sales and use taxes paid thereon. If the property was purchased out-of-state, the county in which the property was delivered should be listed. The contractor should also be notified that the certified statement may be subject to audit.

In the event the contractors make several purchases from the same vendor, such certified statement must indicate the invoice numbers, the inclusive dates of the invoices, the total amount of the invoices, the counties, and the county sales and use taxes paid thereon.
Name of taxing county: The position of a sale is the retailer's place of business located within a taxing county where the vendor becomes contractually obligated to make the sale. Therefore, it is important that the county tax be reported for the county of sale rather than the county of use.

When property is purchased from out-of-state vendors and the county tax is charged, the county should be identified where delivery is made when reporting the county tax.

Such statement must also include the cost of any tangible personal property withdrawn from the contractor's warehouse stock and the amount of county sales or use tax paid thereon by the contractor.

Similar certified statements by his subcontractors must be obtained by the general contractor and furnished to the claimant.

Contractors are not to include any tax paid on supplies, tools and equipment which they use to perform their contracts and should include only those building materials, supplies, fixtures and equipment which actually become a part of or annexed to the building or structure.

ARTICLE 46 - EQUAL OPPORTUNITY CLAUSE

The non-discrimination clause contained in Section 202 (Federal) Executive Order 11246, as amended by Executive Order 11375, relative to equal employment opportunity for all persons without regard to race, color, religion, sex or national origin, and the implementing rules and regulations prescribed by the secretary of Labor, are incorporated herein.

ARTICLE 47 - EMPLOYMENT OF INDIVIDUALS WITH DISABILITIES

The contractors agree not to discriminate against any employee or applicant for employment because of physical or mental disabilities in regard to any position for which the employee or applicant is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with such disabilities without discrimination based upon their physical or mental disability in all employment practices.

ARTICLE 48 - ASBESTOS-CONTAINING MATERIALS (ACM)

The State of North Carolina has attempted to address all asbestos-containing materials that are to be disturbed in the project. However, there may be other asbestos-containing materials in the work areas that are not to be disturbed and do not create an exposure hazard. Contractors are reminded of the requirements of instructions under Instructions to Bidders and General Conditions of the Contract, titled Examination of Conditions. Statute 130A, Article 19, amended August 3, 1989, established the Asbestos Hazard Management Program that controls asbestos abatement in North Carolina. The latest edition of Guideline Criteria for Asbestos Abatement from the State Construction Office is to be incorporated in all asbestos abatement projects for the Capital Improvement Program.

ARTICLE 49 - MINORITY BUSINESS PARTICIPATION

GS 143-128.2 establishes a ten percent (10%) goal for participation by minority business in total value of work for each State building project. The document Guidelines for Recruitment and Selection of Minority Businesses for Participation in State Construction
Contracts including Affidavits and Appendix E are hereby incorporated and made a part of this contract.

ARTICLE 50 – CONTRACTOR EVALUATION

The Contractor’s overall work performance on the project shall be fairly evaluated in accordance with the State Building Commission policy and procedures, for determining qualifications to bid on future State capital improvement projects. In addition to final evaluation, interim evaluation may be prepared during the progress of project. The document, Contractor Evaluation Procedures, is hereby incorporated and made a part of this contract. The owner may request the contractor’s comments to evaluate the designer.

ARTICLE 51- GIFTS

Pursuant to General Statute 133-32, it is unlawful for any vendor or contractor (i.e. architect, bidder, contractor, construction manager, design professional, engineer, subcontractor, supplier, etc.) to make gifts or give favors to any State employee. This prohibition covers those vendors and contractors who: (1) have a contract with a government agency; or (2) have performed under such a contract during the past year; or (3) anticipate bidding on such a contract in the future. For additional information regarding the specific requirements and exemptions, vendors and contractors are encouraged to review General Statute 133-32.

The contractor is prohibited from making gifts to any of the owner’s employees, owner’s project representatives (architect, engineers, construction manager and their employees), employees of the State Construction Office and/or any other state employees that may have any involvement, influence, responsibilities, oversight, management and/or duties that pertain to and/or relate to the construction administration, financial administration and/or disposition of claims arising from and/or relating to the contract and/or the project.

ARTICLE 52 – AUDITING – ACCESS TO PERSONS AND RECORDS

In accordance with General Statute.147-64.7, the State Auditor shall have access to the contractor’s officers, employees, agents and/or other persons in control of and/or responsible for the contractor’s records that relate to this contract for purposes of conducting audits under the referenced statute. The owner’s internal auditors shall also have the right to access and copy the contractor’s records relating to the contract and project during the term of the contract and within two years following the completion of the project/close out of the contract to verify accounts, accuracy, information, calculations and/or data affecting and/or relating to contractor’s requests for payment, requests for change orders, change orders, claims for extra work, requests for time extensions and related claims for delay/extended general conditions costs, claims for lost productivity, claims for lost efficiency, claims for idle equipment or labor, claims for price/cost escalation, pass-through claims of subcontractors and/or suppliers, and/or any other type of claim for payment or damages from the owner and/or the owner’s project representatives.

ARTICLE 53 – NORTH CAROLINA FALSE CLAIMS ACT
The North Carolina False Claims Act (NCFCA), General Statute 1-605 through 1-618, applies to this contract. The contractor should familiarize itself with the entire NCFCA and its applicability to any requests, demands and/or claims for payment submitted to the State through the contracting university or affiliate.

The purpose of the NCFCA “is to deter persons from knowingly causing or assisting in causing the state to pay claims that are false or fraudulent and to provide remedies in the form of treble damages and civil penalties when money is obtained from the state by reason of a false or fraudulent claim” (Section 1-605[b]). A contractor’s liability under NCFCA may arise from, but not be limited to: requests for payment, invoices, billing, claims for extra work, requests for change orders, requests for time extensions, claims for delay damages/extended general conditions costs, claims for lost productivity, claims for lost efficiency, claims for idle equipment or labor, claims for price/cost escalation, pass through claims of subcontractors and/or suppliers, documentation used to support any of the foregoing requests for claims, and/or any other request for payment from the state through the contracting state agency, institution or university. The parts of the NCFCA that are most likely to be enforced with respect to this type of contract are as follows:

- A “claim” is “[a]ny request or demand, whether under a contract or otherwise, for money or property and whether or not the State has title to the money or property that (i) is presented to an officer, employee, or agent of the State or (ii) is made by a contractor…if the money or property is to be spent or used on the State’s behalf or to advance a State program or interest and if the State government: (a) provides or has provided any portion of the money or property that is requested or demanded; or (b) will reimburse such contractor… for any portion of the money or property which is requested or demanded.” (Section 1-606(2).)

- “Knowing” and “knowingly” – whenever a person, with respect to information, does any of the following: (a) Has actual knowledge of the information; (b) Acts in deliberate ignorance of the truth or falsity of the information; and/or (c) Acts in reckless disregard of the truth or falsity of the information. (Section 1-606 (4).) Proof of specific intent to defraud is not required. (Section 1-606 (4).)

- “Material” means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property. (Section 1-606(4).)

- Liability – “Any person who commits any of the following acts shall be liable to the State for three times the amount of damages that the State sustains because of the act of that person[;] …(1) Knowingly presents or causes to be presented a false or fraudulent claim for payment or approval. (2) Knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim. (3) Conspires to commit a violation of subdivision (1), (2) …” (Section 1-607(a)(1), (2).)

- The NCFCA shall be interpreted and construed so as to be consistent with the federal False Claims Act, 31 U.S.C. 3729, et seq., and any subsequent amendments to that act. (Section 1-616©.)
Finally, the contracting university or affiliate may refer any suspected violation of the NCFCA by the contractor to the Attorney General’s Office for investigation. Under Section 1-608(a), the Attorney General is responsible for investigating any violation of NCFCA, and may bring a civil action against the contractor under the NCFCA. The Attorney General’s investigation and any civil action relating thereto are independent and not subject to any dispute resolution provision set forth in this contract. (See Section 1-608(a).)

ARTICLE 54 – TERMINATION FOR CONVENIENCE

a. The owner may, at any time and for any reason terminate the contractor’s services and work at the owner’s convenience. Upon receipt of such notice, the contractor shall, unless the notice directs otherwise, immediately discontinue the work and placing orders for materials, facilities and supplies in connection with the performance of this agreement.

b. Upon such termination, the contractor shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this agreement; plus, (2) such other costs actually incurred by the contractor as are permitted by the prime contract and approved by the owner; (3) plus ten percent (10%) of the cost of the work referred to in subparagraph (1) above for overhead and profit. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to the contractor prior to the date of the termination of this agreement. The contractor shall not be entitled to any claim or claim of lien against the owner for any additional compensation or damages in the event of such termination and payment.
GENERAL CONDITIONS OF THE CONTRACT

STANDARD FORM FOR CONSTRUCTION MANAGER-AT-RISK PROJECTS

NORTH CAROLINA
DEPARTMENT OF ADMINISTRATION
STATE CONSTRUCTION OFFICE

Form OC-15CM

This document is intended for use on State capital construction projects and shall not be used on any project that is not reviewed and approved by the State Construction Office. Extensive modification to the General Conditions by means of “Supplementary General Conditions” is strongly discouraged. State agencies and institutions may include special requirements in “Division 1 – General Requirements” of the specifications, where they do not conflict with the General Conditions.

GENERAL CONDITIONS OF THE CONTRACT

The use or reproduction of this document or any part thereof is authorized for and limited to use on projects of the State of North Carolina, and is distributed by, through and at the discretion of the State Construction Office, Raleigh, North Carolina, for that distinct and sole purpose.

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ARTICLE 1 - DEFINITIONS

a. The contract documents consist of the Request for Proposal (RFP); Construction Manager’s formal response to the RFP; General Conditions of the Contract; special conditions if applicable; Supplementary General Conditions; the drawing and specifications, including all bulletins, addenda or other modifications of the drawings and specifications incorporated into the documents prior to their execution; the contract; the performance bond; the payment bond; insurance certificates; the approval of the attorney general; and the certificate of the Office of State Budget and Management. All of these items together form the contract.

b. The Owner is the State of North Carolina by and through the agency or institution named on the cover sheet, where the project is being built in the contract.

c. The designer or project designer means the firm or firms of architects or engineers or both (and their consultants) which have undertaken to design the project pursuant to a contract with the Owner, (hereinafter, the “design contract”).

d. The Construction Manager-at-Risk (CM) accepts a relationship of trust and confidence between himself and the Owner and undertakes to act as the Owner’s fiduciary in the handling and opening of bids in accordance with the provisions of North Carolina General Statute (N.C.G.S.) 143-128.1. The CM agrees to furnish his best skills and his best judgment to cooperate with the Owner and Designer for undertaking all necessary action contemplated under the contract documents to (a) establish during the design phase a Guaranteed Maximum Price (GMP) to construct the project and (b) ensure timely and quality completion of the project at a cost within the GMP. Construction Manager or CM as used in the contract documents means Construction Manager-at-Risk (CM at Risk).

e. A subcontractor, as the term is used herein, shall be in the case of a principal trade contractor, a general, mechanical, electrical or plumbing contractor or in the case of a specialty contractor, a trade contractor who is not a principal trade contractor, who has entered into a direct contract with a CM, and includes one who furnishes materials worked to a special design in accordance with plans and specifications covered by the contract, but does not include one who only sells or furnishes materials not requiring work so described or detailed.

f. Written notice shall be defined as notice in writing delivered in person to the contractor, or to a partner of the firm in the case of a partnership, or to a member of the contracting organization, or to an officer of the organization in the case of a corporation, or sent to the last known business address of the contracting organization by registered mail.

g. Work, as used herein as a noun, is intended to include materials, labor, and workmanship of the appropriate contractor as supervised by the CM.

h. The project is the total construction work to be performed under the contract documents.

i. Construction Management Fee shall be an all inclusive lump sum management fee which will include all Construction Manager-at-Risk home office, project site and project related costs including all Construction Manager-at-Risk overhead costs and profit.

j. Change order, as used herein, shall mean a written order to the CM subsequent to the signing of the contract authorizing a change in the GMP contract. The change order shall be signed by the CM, designer and the Owner, and approved by the State Construction Office, in that order (Article 19).
k. Field Order, as used herein, shall mean a written approval for the CM to proceed with the work requested by Owner prior to issuance of a formal Change Order. The field order shall be signed by the CM, designer, Owner, and State Construction Office (SCO).

l. Field Change, as used herein shall mean a written approval from the Owner for the CM to proceed with work requested by the Owner to be paid for from the CM Contingency or Owner’s Project Reserve within the GMP.

Time of Completion, as stated in the contract documents, is to be interpreted as consecutive calendar days measured from the date established in the written Notice to Proceed, or such other date as may be established herein (Article 23).

m. Liquidated damages, as stated in the contract documents, is an amount reasonably estimated in advance to cover the consequential damages associated with the Owner’s economic loss in not being able to use the Project for its intended purposes at the end of the contract’s completion date as amended by change order, if any, by reason of failure of the CM to complete the work within the time specified. Liquidated damages do not include the Owner’s extended contract administration costs (including but not limited to additional fees for architectural and engineering services, testing services, inspection services, commissioning services, etc.), other damages directly resulting from delays caused solely by the CM, or consequential damages that the Owner identified in the bid documents that may be impacted by any delay caused solely by the CM (e.g., if a multi-phased project, subsequent phases, delays in start of other projects that are dependent on the completion of this Project, extension of leases and/or maintenance agreements for other facilities), as stated in the contract documents, is an amount reasonably estimated in advance to cover the losses incurred by the Owner by reason of failure of the CM to complete the work within the time specified.

n. Surety, as used herein, shall mean the bonding company or corporate body which is bound with and for the CM, and which engages to be responsible for the CM and his acceptable performance of the work.

o. Routine written communications between the Designer and the Construction Manager are any communication other than a “request for information” provided in letter, memo, or transmittal format, sent by mail, courier, electronic mail, or facsimile. Such communications cannot be identified as “request for information”.

p. Clarification or Request for information (RFI) is a request from the CM seeking an interpretation or clarification by the Designer relative to the contract documents. The RFI, which shall be labeled (RFI), shall clearly and concisely set forth the issue or item requiring clarification or interpretation and why the response is needed. The RFI must set forth the CM’s interpretation or understanding of the contract documents requirements in question, along with reasons for such an understanding.

q. Approval means written or imprinted acknowledgement that materials, equipment or methods of construction are acceptable for use in the work.

r. Inspection shall mean examination or observation of work completed or in progress to determine its compliance with contract documents.

s. “Equal to” or “approved equal” shall mean materials, products, equipment, assemblies, or installation methods considered equal by the bidder in all characteristics (physical,
functional, and aesthetic) to those specified in the contract documents. Acceptance of equal is subject to approval of the designer and owner.

1. "Substitution" or "substitute" shall mean materials, products, equipment, assemblies, or installation methods deviating in at least one characteristic (physical, functional, or aesthetic) from those specified, but which in the opinion of the bidder would improve competition and/or enhance the finished installation. Acceptance of substitution is subject to the approval of the designer and owner.

2. Provide shall mean furnish and install complete in place, new, clean, operational, and ready for use.

3. Indicated and shown shall mean provide as detailed, or called for, and reasonably implied in the contract documents.

4. Special inspector is one who inspects materials, installation, fabrication, erection or placement of components and connections requiring special expertise to ensure compliance with the approved construction documents and referenced standards.

5. Commissioning is a quality assurance process that verifies and documents that building components and systems operate in accordance to the owner’s project requirements and the project design documents.

6. Designer Final Inspection is the inspection performed by the design team to determine the completeness of the project in accordance with approved plans and specifications. This inspection occurs prior to SCO final inspection.

7. SCO Final Inspection is the inspection performed by the State Construction Office to determine the completeness of the project in accordance with NC Building Codes and approved plans and specifications.

8. Beneficial Occupancy is requested by the owner and is occupancy or partial occupancy of the building after all life safety items have been completed as determined by the State Construction Office. Life safety items include but not limited to fire alarm, sprinkler, egress and exit lighting, fire rated walls, egress paths and security.

9. Final Acceptance is the date in which the State Construction Office accepts the construction as totally complete. This includes the SCO Final Inspection and certification by the designer that all punch lists are completed.

ARTICLE 2 - INTENT AND EXECUTION OF DOCUMENTS

a. The drawings and specifications are complementary, one to the other. That which is shown on the drawings or called for in the specifications shall be as binding as if it were both called for and shown. The intent of the drawings and specifications is to establish the scope of all labor, materials, transportation, equipment, and any and all other things necessary to provide a complete job. In case of discrepancy or disagreement in the contract documents, the order of precedence shall be: Form of Contract, specifications, large-scale detail drawings, small-scale drawings,
b. The wording of the specifications shall be interpreted in accordance with common usage of the language except that words having a commonly used technical or trade meaning shall be so interpreted in preference to other meanings.

c. The CM shall execute each copy of the response to RFP, contract, performance bond and payment bond as follows:

1. If the documents are executed by a sole Owner, that fact shall be evidenced by the word "Owner" appearing after the name of the person executing them.

2. If the documents are executed by a partnership, that fact shall be evidenced by the word "Co-Partner" appearing after the name of the partner executing them.

3. If the documents are executed on the part of a corporation, they shall be executed by either the president or the vice president and attested by the secretary or assistant secretary in either case, and the title of the office of such persons shall appear after their signatures. The seal of the corporation shall be impressed on each signature page of the documents.

4. If the documents are made by a joint venture, they shall be executed by each member of the joint venture in the above form for sole Owner, partnership or corporation, whichever form is applicable to each particular member.

5. All signatures shall be properly witnessed.

6. If the construction manager’s license is held by a person other than an Owner, partner or officer of a firm, then the licensee shall also sign and be a party to the contract. The title "Licensee" shall appear under his/her signature.

7. The bonds shall be executed by an attorney-in-fact. There shall be attached to each copy of the bond a certified copy of power of attorney properly executed and dated.

8. Each copy of the bonds shall be countersigned by an authorized individual agent of the bonding company licensed to do business in North Carolina. The title "Licensed Resident Agent" shall appear after the signature.

9. The seal of the bonding company shall be impressed on each signature page of the bonds.

10. The CM’s signature on the performance bond and the payment bond shall correspond with that on the contract.

ARTICLE 3 - CLARIFICATIONS AND DETAIL DRAWINGS

a. In such cases where the nature of the work requires clarification by the designer, such clarification shall be furnished by the designer with reasonable promptness by means of written instructions or detail drawings, or both. Clarifications and drawings shall be consistent with the intent of contract documents, and shall become a part thereof.

b. The CM and the Designer shall prepare, if deemed necessary, a schedule fixing dates upon which foreseeable clarifications will be required. The schedule will be subject to addition or change in accordance with progress of the work. The Designer shall furnish drawings or clarifications in accordance with that schedule. The CM shall not proceed with the work without such detail drawings and/or written clarifications.
ARTICLE 4 - COPIES OF DRAWINGS AND SPECIFICATIONS

The Designer or owner shall furnish free of charge to the contractor CM electronic copies of plans and specifications, as follows: If requested by the CM, up to 30 paper copies of plans and specifications shall be provided free of charge shall receive up to thirty (30) sets of drawings and specifications plus a clean set of black line prints on white paper of all appropriate drawings, upon which the CM shall clearly and legibly record all work-in-place that is in variance with the contract documents. Additional sets shall be furnished at cost, including mailing, to the CM at the request of the CM.

ARTICLE 5 - SHOP DRAWINGS, SUBMITTALS, SAMPLES, DATA

a. Within thirty (30) fifteen (15) consecutive calendar days of the notice to proceed, a schedule for anticipated submission of all shop drawings, product data, samples, and similar submittals shall be prepared by the CM and provided to the designer. This schedule shall indicate the items, relevant specification sections, other related submittal data, and the date when these items will be furnished to the designer.

b. The CM shall review, approve and submit to the Designer all Shop Drawings, Coordination Drawings, Product Data, Samples, Color Charts, and similar submittal data required or reasonably implied by the Contract Documents. Required Submittals shall bear the CM's stamp of approval, any exceptions to the Contract Documents shall be noted on the submittals, and copies of all submittals shall be of sufficient quantity for the Designer to retain up to three (3) copies of each submittal for his own use plus additional copies as may be required by the CM. Submittals shall be presented to the Designer in accordance with the schedule submitted in paragraph (a), so as to cause no delay in the activities of the Owner.

c. The Designer shall review required submittals promptly, noting desired corrections if any, and returning three (3) copies (1 for the Designer, 1 for the owner and 1 for SCO) for his use. The remaining copies of each submittal shall be returned to the CM not later than twenty (20) days from the date of receipt by the Designer, for the CM's use or for corrections and resubmittal as noted by the Designer. When resubmittals are required, the submittal procedure shall be the same as for the original submittals.

d. The CM will be responsible for tagging all shop drawings/submittals prior to submission to the Project Designer and Owner. The CM is to ensure that shop drawings/submittal packages are submitted in an appropriate manner and if not, return them to the Principal Trade or Specialty Contractor for proper submission.

e. The CM shall develop and implement a system for the processing of all shop drawings/submittals and shall be responsible for tracking and monitoring all shop drawings/submittals until all have been approved by the Project Designer & Owner.

Approval of shop drawings by the designer shall not be construed as relieving the CM from responsibility for compliance with the design or terms of the contract documents nor from responsibility of errors of any sort in the shop drawings, unless such error has been called to the attention of the designer in writing by the CM.

ARTICLE 6 - WORKING DRAWINGS AND SPECIFICATIONS AT THE JOB SITE
a. The CM shall maintain, in readable condition at his job office, one complete set of working drawings and specifications for his work including all shop drawings. Such drawings and specifications shall be available for use by the Designer or his authorized representative, owner or State Construction Office.

b. The CM shall maintain at the job office a day-to-day record of work-in-place that is at variance with the contract documents. Such variations shall be fully noted on project drawings by the CM and submitted to the designer upon project completion and no later than thirty (30) days after acceptance of the project.

c. The contractor shall maintain at the job office a record of all required tests that have been performed, clearly indicating the scope of work inspected and the date of approval or rejection.

ARTICLE 7 - OWNERSHIP OF DRAWINGS AND SPECIFICATIONS

All drawings and specifications are instruments of service and remain the property of the Owner. The use of these instruments on work other than this contract without permission of the Owner is prohibited. All copies of drawings and specifications other than contract copies shall be returned to the Owner upon request after completion of the work.
ARTICLE 8 - MATERIALS, EQUIPMENT, EMPLOYEES

a. The CM shall, unless otherwise specified, supply & pay for all lighting, power, heat, sanitary facilities & water and shall require the Principal Trade and Specialty Contractors to supply and pay for all labor, transportation, materials, tools, apparatus, scaffolding and incidentals necessary for the completion of his work, and to install, maintain and remove all equipment of the construction, other utensils or things, and be responsible for the safe, proper and lawful construction, maintenance and use of same. The CM shall construct in the best and most workmanlike manner, a complete job and everything incidental thereto, as shown on the plans, stated in the specifications, or reasonably implied there from, all in accordance with the contract documents.

b. All materials shall be new and of quality specified, except where reclaimed material is authorized herein and approved for use. Workmanship shall at all times be of a grade accepted as the best practice of the particular trade involved, and as stipulated in written standards of recognized organizations or institutes of the respective trades except as exceeded or qualified by the specifications.

c. Upon notice, the CM shall require furnish evidence from the Principal Trade and Specialty Contractors to furnish evidence as to quality of materials.

d. Products are generally specified by ASTM or other reference standard and/or by manufacturer's name and model number or trade name. When specified only by reference standard, the CM through the Principal Trade or Specialty Contractor may select any product meeting this standard, by any manufacturer. When several products or manufacturers are specified as being equally acceptable, the CM through the Principal Trade or Specialty Contractor has the option of using any product and manufacturer combination listed. However, the CM through the Principal Trade or Specialty Contractor shall be aware that the cited examples are used only to denote the quality standard of product desired and that they do not restrict bidders to a specific brand, make, manufacturer or specific name; that they are used only to set forth and convey to bidders the general style, type, character and quality of product desired; and that equivalent products will be acceptable. The CM shall be responsible for reviewing all substitution requests from Principal Trade or Specialty Contractors prior to submission to the Project Designer and Owner and shall track & monitor all such requests. Requests for substitution of materials, items, or equipment shall be submitted to the Project Designer for approval or disapproval; such approval or disapproval shall be made by the designer prior to the opening of bids. Alternate materials may be requested after award if it can clearly be demonstrated that it is an added benefit to the owner and the designer and the owner approves.

e. The CM shall obtain written approval from the designer for the use of products, materials, equipment, assemblies or installation methods claimed as equal to those specified. Such approvals must be obtained as soon after contract awards as possible and before any materials are ordered.

f. The Designer is the judge of equality for proposed substitution of products, materials or equipment.

g. If at any time during the construction and completion of the work covered by these contract documents, the conduct of any workman of the various crafts be adjudged a nuisance to the Owner or Designer, or if any workman be considered detrimental to the work, the CM shall order such parties removed immediately from grounds.
ARTICLE 9 - ROYALTIES, LICENSES AND PATENTS

It is the intention of the contract documents that the work covered herein will not constitute in any way infringement of any patent whatsoever unless the fact of such patent is clearly evidenced herein. The CM shall protect and save harmless the Owner against suit on account of alleged or actual infringement. The CM shall pay all royalties and/or license fees required on account of patented articles or processes, whether the patent rights are evidenced hereinafter.

ARTICLE 10 - PERMITS, INSPECTIONS, FEES, REGULATIONS

a. The CM shall give all notices and comply with all laws, ordinances, codes, rules and regulations bearing on the conduct of the work under this contract. If the CM observes that the drawings and specifications are at variance therewith, he shall promptly notify the Designer in writing. Any necessary changes required after contract award shall be made by change order in accordance with Article 19. If the CM performs any work or authorizes any work to be performed knowing it to be contrary to such laws, ordinances, codes, rules and regulations, and without such notice to the designer, he shall bear all cost arising there from. Additional requirements implemented after bidding will be subject to equitable negotiations.

b. All work under this contract shall conform to the North Carolina State Building Code and other State, local and national codes as are applicable. The cost of all required inspections and permits shall be the responsibility of the CM unless otherwise specified.

Projects constructed by the State of North Carolina or by any agency or institution of the State are not subject to inspection by any county or municipal authorities and are not subject to county or municipal building codes. The CM shall, however, cooperate with the county or municipal authorities by obtaining building permits. Permits shall be obtained at no cost.

Projects involving local funding (Community Colleges) are also subject to county and municipal building codes and inspection by local authorities. The CM shall pay the cost of these permits and inspections unless otherwise specified.

ARTICLE 11 - PROTECTION OF WORK, PROPERTY AND THE PUBLIC

a. The CM shall be responsible for the entire site and the building or construction of the same and provide all the necessary protections, as required by the Owner or designer, and by laws or ordinances governing such conditions. The CM shall be responsible for any damage to the Owner's property or of that of others on the job, by them, their personnel, or their subcontractors, and shall make good such damages. The CM shall be responsible for and pay for any damages caused to the Owner. The CM shall have access to the project at all times.

b. The CM shall provide responsible to cover and protect all portions of the structure when the work is not in progress, provide and set all temporary roofs, covers for doorways, sash and windows, and all other materials necessary to protect all the work on the building. Any work damaged through the lack of proper protection or from any other cause, shall be repaired or replaced without extra cost to the Owner.

c. No fires of any kind will be allowed inside or around the operations during the course of construction without special permission from the Designer.
d. The CM shall ensure that all trees and shrubs designated to remain in the vicinity of the construction operations are protected in accordance with the requirements of the plans and specifications. All walks, roads, etc., shall be barricaded as directed by the designer to keep the public away from the construction. All trenches, excavations or other hazards in the vicinity of the work shall be well barricaded and properly lighted at night.

e. The CM shall develop and implement a project safety plan that provides all necessary safety measures for the protection of all persons on the job, including the requirements of the A.G.C. Accident Prevention Manual in Construction, as amended, and shall fully comply with all state laws or regulations and North Carolina State Building Code requirements to prevent accident or injury to persons on or about the location of the work. The CM shall clearly mark or post signs warning of hazards existing, and shall barricade excavations, elevator shafts, stairwells and similar hazards. The CM shall ensure that protection is provided against damage or injury resulting from falling materials and that all protective devices and signs be maintained throughout the progress of the work.


g. The CM shall designate a responsible person of his organization as safety officer/inspector to inspect the project site for unsafe health and safety hazards, to report these hazards to the contractor for correction, and whose duties also include accident prevention on the project, and to provide other safety and health measures on the project site as required by the terms and conditions of the contract. The name of the safety inspector shall be made known to the designer and owner at the time of the preconstruction conference, and in all cases prior to any work starting on the project, the CM shall designate a responsible member of his organization as safety inspector, whose duties shall include accident prevention on the work project. The name of the safety inspector shall be made known to the designer at the time the work is started. The CM shall conduct daily safety and health inspections of the construction site and, on a weekly basis, report to the Owner and Project Designer, in writing, the results of such inspections, all workplace hazards identified during such inspections, and corrective action taken to correct such hazards.

h. In the event of an emergency affecting the safety of life, the protection of work, or the safety of adjoining properties, the CM is hereby authorized to act at his own discretion, without further authorization from anyone, to prevent such threatened injury or damage. Any compensation claimed by the CM on account of such action shall be determined as provided for under Article 19(b).

i. Any and all costs associated with correcting damage caused to adjacent properties of the construction site or staging area shall be borne by the contractor. These costs shall include but not be limited to flooding, mud, sand, stone, debris, and discharging of waste products. If reasonable precautions are inadequate to prevent foreseeable bodily injury or death to persons resulting from a material or substance encountered but not created on the site by the CM or its Principal Trade or Specialty Contractors, the CM shall, upon recognizing the condition, immediately stop work in the affected area and report the condition to the owner and designer in writing. The owner shall take responsibility for remediation of the material or substance from the site. If the CM’s progress in completing the project is delayed as a result of the Owner’s inability to remediate the site, the Owner shall issue a change order to the CM’s contract in accordance with Article 19.
ARTICLE 12 - SEDIMENTATION POLLUTION CONTROL ACT OF 1973

a. Any land-disturbing activity performed by the CM or any Principal Trade or Specialty Contractor in connection with the project shall comply with all erosion control measures set forth in the contract documents and any additional measures which may be required in order to ensure that the project is in full compliance with the Sedimentation Pollution Control Act of 1973, as implemented by Title 15, North Carolina Administrative Code, Chapter 4, Sedimentation Control, Subchapters 4A, 4B and 4C, as amended (15 N.C.A.C. 4A, 4B and 4C).

b. Upon receipt of notice that a land-disturbing activity is in violation of said act, the CM shall be responsible for ensuring that all steps or actions necessary to bring the project in compliance with said act are promptly taken.

c. The CM shall be responsible for defending any legal actions instituted pursuant to N.C.G.S. 113A-64 against any party or persons described in this article.

d. To the fullest extent permitted by law, the CM shall indemnify and hold harmless the Owner, the designer and the agents, consultants and employees of the Owner and designer, from and against all claims, damages, civil penalties, losses and expenses, including, but not limited to, attorneys' fees, arising out of or resulting from the performance of work or failure of performance of work, provided that any such claim, damage, civil penalty, loss or expense is attributable to a violation of the Sedimentation Pollution Control Act. Such obligation shall not be construed to negate, abridge or otherwise reduced any other right or obligation of indemnity which would otherwise exist as to any party or persons described in this article.

ARTICLE 13 - INSPECTION OF THE WORK

a. It is a condition of this contract that the work shall be subject to inspection during normal working hours by the designer, designated official representatives of the Owner, State Construction Office and those persons required by state law to test special work for official approval. The CM shall therefore provide all equipment necessary and safe access to the work at all times for such inspections.

b. All instructions to the CM will be made only by or through the designer or his designated project representative. Observations made by official representatives of the Owner shall be conveyed to the designer for review and coordination prior to issuance to the CM.

c. The CM shall perform quality control inspections on the work of Principal Trade and Specialty Contractors to guard the Owner against defects and deficiencies in the work and shall coordinate this activity with the on-site duties of the Project Designer. The CM shall advise the Project Designer of any apparent variation and/or deviation from the intent of the Contract Documents and shall take the necessary action to correct such variations and deviations.

d. All work shall be inspected by designer, special inspector and/or State Construction Office prior to being covered by the contractor. The CM shall give a minimum two weeks notice unless otherwise agreed to by all parties. If inspection fails, after the first re-inspection all costs associated with additional re-inspections shall be borne by the CM.
d. Where special inspection or testing is required by virtue of any state laws, instructions of the designer, specifications or codes, the CM shall give adequate notice to the Project Designer of the time set for such inspection or test, if the inspection or test will be conducted by a party other than the Project Designer. Such special tests or inspections will be made in the presence of the Project Designer, or his authorized representative, and it shall be the CM’s responsibility to serve ample notice of such tests.

e.f. All laboratory tests shall be paid by the Owner unless provided otherwise in the contract documents except the CM shall pay for laboratory tests to establish design mix for concrete and for additional tests to prove compliance with contract documents where materials have tested deficient except when the testing laboratory did not follow the appropriate ASTM testing procedures.

f.g. Should any work be covered up or concealed prior to inspection and approval by the Project Designer and/or (SCO) such work shall be uncovered or exposed for inspection, if so requested by the Project Designer or SCO in writing. Inspection of the work will be made promptly upon notice from the CM. All cost involved in uncovering, repairing, replacing, recovering and restoring to design condition, the work that has been covered or concealed will be paid by the CM.

g. If any other portion of the work has been covered which the Designer has not specifically requested to observe prior to being covered, the Project Designer may request to see such work and it shall be uncovered by the CM. If such work be found in accordance with the contract documents, the cost of uncovering and replacement shall, by appropriate change order, be charged to the Owner. If such work is found not in accordance with the contract documents, the CM shall pay such costs.

ARTICLE 14 - CONSTRUCTION SUPERVISION AND SCHEDULE

a. On-site representatives of the CM shall manage the work of the Principal Trade and Specialty Contractors and coordinate the work with the activities of the Owner and Project Designer to complete the project with the Owner’s objectives of cost, time and quality. Throughout the progress of the work, the CM shall maintain a competent and adequate full-time staff approved by the Owner and Project Designer. It is understood that the designated and approved on-site representative of the CM will remain on the job and in responsible charge as long as those persons remain employed by the CM unless otherwise requested or agreed to by the Owner. The CM shall establish an on-site organization with appropriate lines of authority to act on behalf of the CM. Instructions, directions or notices given to the designated on-site authority shall be as binding as if given to the CM. However, directions, instructions, and notices shall be confirmed in writing.

b. The CM shall examine and study the drawings and specifications and fully understand the project design, and shall provide constant and efficient supervision to the work. Should he discover any discrepancies of any sort in the drawings or specifications, he shall report them to the designer without delay. He will not be held responsible for discrepancies in the drawings and/or specifications, but shall be held responsible to report them should they become known to him.

c. [NOT USED]

d. The CM shall call and preside over monthly job site progress conferences. All Principal Trade and Specialty Contractors shall be represented at these job progress conferences by both home office and project personnel. The CM shall require attendance from other
subcontractors and material suppliers who can contribute toward maintaining required job progress. It shall be the principal purpose of these meetings, or conferences, to effect coordination, cooperation and assistance in every practical way toward the end of maintaining progress of the project on schedule and to complete the project within the specified contract time. The CM shall be prepared to assess progress of the work and to recommend remedial measures for correction of progress as may be appropriate. The CM with assistance from the Designer shall be the coordinator of the conferences and shall preside as chairman. The CM shall turn over a copy of his daily reports to the Designer and Owner at the job site progress conference. Owner will determine daily report format.

e. The CM shall, if required by the Supplementary General Conditions, employ an engineer or a land surveyor licensed in the State of North Carolina to lay out the work and to establish a bench mark nearby in a location where same will not be disturbed and where direct instruments sights may be taken.

f. {NOT USED}

g. Prior to bidding, it shall be the responsibility of the CM to prepare an electronic and paper copy of a preliminary critical path method (CPM) schedule and submit such schedule to the Project Designer for his review and comment in sufficient time to allow revisions prior to inserting said schedule into the Principal Trade and Specialty Contractors’ bid packages. After contract award but prior to thirty (30) days from the date of the notice to proceed, the CM shall obtain from the Principal Trade and Specialty Contractors their respective work activities and integrate them into a project construction schedule in CPM form. The resulting CPM schedule shall show all salient features of the work required for construction of the project from start to finish within the time allotted by the contract. The time in days between the CM’s early completion date and the contractual completion date is project float time and shall be used as such by the CM unless amended by change order. The CM shall submit to the Project Designer an electronic and paper copy of the final CPM schedule after contracts are executed but within fifteen (15) days prior to the written notice to proceed. The Project Designer after reviewing and commenting on the project CPM schedule shall submit it to the Owner for approval. No application for payment will be processed until the project CPM schedule is approved by the Owner. No monthly application for payment will be processed without the submission of an electronic and paper copy of the CPM schedule attached.

h. The CPM schedule shall be a complete computer generated network analysis showing the complete sequence of construction activities, identifying the work of separate stages and other logically grouped activities, indicating early and late start and early and late finish dates, float duration and a complete logic. Monthly updates will show the estimated completion of each activity.

i. The CM shall distribute to the principal trade and specialty contractors the approved project CPM schedule and shall display same at the job site.

j. The CM shall maintain the project CPM schedule, making monthly adjustments, updates, corrections, etc., which are necessary to finish the project within the time allotted by the contract. In doing so, the CM shall keep the designer as well as all Principal Trade and Specialty Contractors fully informed as to all changes and updates to the schedule. The CM shall submit to the Project Designer a monthly report of the status of all work activities. The monthly status report shall show the actual work completed to date in comparison with the original amount of work scheduled. If the work is behind schedule, the CM must indicate in
writing what measures are being taken to bring the work back on schedule and ensure that the contract completion date is not exceeded. If the work is greater than thirty (30) days behind schedule and no legitimate requests for time extensions are in process, then the CM shall prepare and submit to the Project Designer a recovery schedule for review and approval. Failure of the CM to abide by the directives in this paragraph will give the Owner cause to exercise the remedies set forth in Article 29 of the General Conditions and pursue any other legal remedies allowed by law.

ARTICLE 15 – [NOT USED]

ARTICLE 16 - PRINCIPAL TRADE AND SPECIALTY CONTRACTS AND CONTRACTORS

a. Principal Trade and Specialty Contractors shall be pre-qualified by the CM. The prequalification criteria shall be determined by the Owner and CM to address quality, performance, the time specified in the bids for performance of the contract, the cost of construction oversight, time for completion, capacity to perform, and any other factors deemed appropriate by the Owner and/or CM. Basic qualification information from Principal Trade and Specialty Contractors shall be requested on the standard State of North Carolina Prequalification Form approved by the State Building Commission. Only pre-qualified contractors are allowed to bid to and contract with the CM on a project.

b. All bids for Principal Trade and Specialty Contracts shall be publically advertised and shall be opened publicly in a public venue, and once opened, shall be public records under N.C.G.S. 132. The CM shall award the contract to the lowest responsible, responsive bidder, taking into consideration quality, performance; the time specified in the bids for performance of the contract, the time for completion, compliance with N.C.G.S. 143-128.2, and other factors deemed appropriate by the Owner and advertised as part of the bid solicitation. When contracts are awarded pursuant to this section, the Owner shall provide for a dispute resolution procedure as provided by N.C.G.S. 143-128(11). Once Principal Trade and Specialty Contractors are in place, the CM shall provide copies of the contracts to the Project Designer and also provide a list of equipment and material suppliers.

c. A CM may perform a portion of the work only if (a) bidding produces no responsible, responsive bidder for that portion of the work, or (b) the lowest responsible, responsive bidder will not execute a contract for the bid portion of the work, or the Principal Trade or Specialty Contractor defaults and a prequalified replacement cannot be obtained in a timely manner, and (c) the Owner approves performance of the work by the CM.

d. The Designer will furnish to any Principal Trade or Specialty Contractor, upon request, evidence regarding amounts of money paid to the CM on account of the work of the Principal Trade or Specialty Contractor.

e. The CM is and remains fully responsible for his own acts or omissions as well as those of any Principal Trade or Specialty Contractor or of any employee of either. The CM agrees that no contractual relationship exists between the Principal Trade and Specialty Contractors and the Owner in regard to the contract, and that the Principal Trade and Specialty Contractors act on this work as an agent or employee of the CM.

ARTICLE 17 - CONSTRUCTION MANAGER AND SUBCONTRACTOR RELATIONSHIPS
The CM agrees that the terms of these contract documents shall apply equally to each Principal Trade and Specialty Contractor as to the CM, and the CM agrees to take such action as may be necessary to bind each Principal Trade and Specialty Contractor to these terms. The CM further agrees to conform to the Code of Ethical Conduct as adopted by the Associated General Contractors of America, Inc., with respect to CM-subcontractor relationships, and that payments to Principal Trade and Specialty Contractors shall be made in accordance with the provisions of N.C.G.S. 143-134.1 titled “Interest on final payments due to prime contractors: payments to subcontractors.”

a. On all public construction contracts which are let by a board or governing body of the state government or any political subdivision thereof, except contracts let by the Department of Transportation pursuant to N.C. G.S. 136-28.1, the balance due the CM shall be paid in full within 45 days after respective prime contracts of the project have been accepted by the Owner, certified by the architect, engineer or designer to be completed in accordance with terms of the plans and specifications, or occupied by the Owner and used for the purpose for which the project was constructed, whichever occurs first. Provided, however, that whenever the architect or consulting engineer in charge of the project determines that delay in completion of the project in accordance with terms of the plans and specifications is the fault of the CM, the project may be occupied and used for the purposes for which it was constructed without payment of any interest on amounts withheld past the 45 day limit. Should final payment to the CM beyond the date such contracts have been certified to be completed by the Project Designer, accepted by the Owner, or occupied by the Owner and used for the purposes for which the project was constructed, be delayed by more than 45 days, said CM shall be paid interest, beginning on the 46th day, at the rate of one percent (1%) per month or fraction thereof unless a lower rate is agreed upon on such unpaid balance as may be due. In addition to the above final payment provisions, periodic payments due the CM during construction shall be paid in accordance with the payment provisions of the contract documents or said CM shall be paid interest on any such unpaid amount at the rate stipulated above for delayed final payments. Such interest shall begin on the date the payment is due and continue until the date on which payment is made. Such due date may be established by the terms of the contract. Funds for payment of such interest on state-owned projects shall be obtained from the current budget of the owning department, institution or agency. Where a conditional acceptance of a contract exists, and where the Owner is retaining a reasonable sum pending correction of such conditions, interest on such reasonable sum shall not apply.

b. Within seven days of receipt by the CM of each periodic or final payment, the CM shall pay the Principal Trade and Specialty Contractors based on work completed or service provided under their contract with the CM. Should any periodic or final payment to a Principal Trade or Specialty Contractor be delayed by more than seven days after receipt of periodic or final payment by the CM, the CM shall pay the Principal Trade or Specialty Contractor interest, beginning on the eighth day, at the rate of one percent (1%) per month or fraction thereof on such unpaid balance as may be due.

c. The percentage of retainage on payments made by the CM to the Principal Trade and Specialty Contractors shall not exceed the percentage of retainage on payments made by the Owner to the CM. Any percentage of retainage on payments made by the CM to the Principal Trade or Specialty Contractors that exceeds the percentage of retainage on payments made by the Owner to the CM shall be subject to interest to be paid by the CM to the Principal Trade or Specialty Contractor at the rate of one percent (1%) per month or fraction thereof.

d. Nothing in this section shall prevent the CM at the time of application and certification to the Owner from withholding application and certification to the Owner for payment to a
Principal Trade or Specialty Contractor for unsatisfactory job progress; defective construction not remedied; disputed work; third-party claims filed or reasonable evidence that claim will be filed; failure of the Principal Trade or Specialty Contractor to make timely payments for labor, equipment and materials; damage to CM or another subcontractor; reasonable evidence that a Principal Trade or Specialty Contract cannot be completed for the unpaid balance of the subcontract sum; or a reasonable amount for retainage not to exceed the initial percentage retained by Owner.

ARTICLE 18 - DESIGNER'S STATUS

a. The Project Designer shall provide liaison and necessary inspection of the work to ensure compliance with plans and specifications. He is the agent of the Owner only for the purpose of constructing this work and to the extent stipulated in the contract documents. He has authority to stop work or to order work removed, or to order corrections of faulty work where such action may be necessary to assure successful completion of the work.

b. The Project Designer is the impartial interpreter of the contract documents, and, as such, he shall exercise his powers under the contract to enforce faithful performance by both the Owner and the CM, taking sides with neither.

c. Should the Project Designer cease to be employed on the work for any reason whatsoever, then the Owner shall employ a competent replacement who shall assume the status of the former Project Designer.

d. The Project Designer will make periodic inspections of the project at intervals appropriate to the stage of construction. He will inspect the progress, the quality and the quantity of the work.

e. The Project Designer and the Owner shall have access to the work whenever it is in preparation and progress during normal working hours. The CM shall provide facilities for such access so the Designer may perform his functions under the contract documents.

f. Based on the Project Designer's inspections and evaluations of the project, the Project Designer shall issue interpretations, directives and decisions as may be necessary to assist the CM in the administration of the project. His decisions relating to artistic effect and technical matters shall be final, provided such decisions are within the limitations of the contract. The CM's decisions, however, relating to means and methods, and administration of the contracts the CM holds are final.

ARTICLE 19 - CHANGES IN THE WORK

a. The Owner may have changes made in the work covered by the contract. These changes will not invalidate and will not relieve or release the CM from any guarantee given by him pertinent to the contract provisions. These changes will not affect the validity of the guarantee bond and will not relieve the surety or sureties of said bond. All extra work shall be executed under conditions of the original contract.

b. Except in an emergency endangering life or property, no change shall be made by the contractor except upon receipt of approved change order or written field order from the designer, countersigned by the owner and the state construction office authorizing such change. No claim for adjustments of the contract price shall be valid unless this procedure is followed.
A field order transmitted by fax or hand delivered may be used where the change involved impacts the critical path of the work. A formal change order shall be issued as expeditiously as possible.

Except in an emergency endangering life or property, no change in the GMP contract shall be made by the CM except upon receipt of approved change order or written field order from the designer, countersigned by the owner and the state construction office authorizing such change. No claim for adjustments of the contract price shall be valid unless this procedure is followed.

A field order transmitted by fax or hand delivered may be used where the change involved impacts the critical path of the work. A formal change order shall be issued within the time stated on the field order.

The CM may be requested to make a change to the work by the Project Designer and Owner where such work is to be funded by the CM contingency or Project Reserve that is part of the GMP contract. Such a change must be documented in the same manner as a Change Order and must be authorized in writing by the Project Designer and Owner by a Field Change document.

In the event of emergency endangering life or property, the CM may be directed to proceed on a time and material basis whereupon the CM shall proceed and keep accurately on such form as may be required, a correct account of costs together with all proper invoices, payrolls and supporting data. Upon completion of the work the change order will be prepared as outlined under either Method "c(1)" or Method "c(2)" or both.

c. In determining the values of changes, either additive or deductive, the CM and Principal Trade and Specialty Contractors are restricted to the use of the following methods:

1. Where the extra work involved is covered by unit prices quoted in the proposal, the value of the change shall be computed by application of unit prices based on quantities, estimated or actual as agreed of the items involved, except is such cases where a quantity exceeds the estimated quantity allowance in the contract by one hundred percent (100%) or more. In such cases, either party may elect to proceed under subparagraph c2 herein. If neither party elects to proceed under c2, then unit prices shall apply.

2. Otherwise, the contracting parties shall negotiate and agree upon the equitable value of the change prior to issuance of the change order, and the change order shall stipulate the corresponding lump sum adjustment to the contract price.

d. Under Paragraph "b" and Methods "c(2)" above, the allowances for overhead and profit combined for a Principal Trade or Specialty Contractor and all multi-tier subcontractors shall not exceed fifteen percent (15%) of net cost of the work. No allowance for overhead and profit will be allowed for the CM until the change orders aggregate to a sum in excess of five percent (5%) of the Cost of the Work portion of the GMP. Once this threshold is met the CM may add an overhead & profit allowance not to exceed four percent (4%) of the net cost of the change order. Change orders to the GMP which authorize additional phases of a project without a change in scope of the originally intended project will not be considered in establishing the threshold for additional CM overhead & profit. Under Method "c(1)", no additional allowances shall be made for overhead and profit. In the case of deductible change orders, under Method "c(2)" and Paragraph (b) above, the contractor shall include no less than five percent (5%) profit, but no allowances for overhead.
e. The term "net cost" as used herein shall mean the difference between all proper cost additions and deductions. The "cost" as used herein shall be limited to the following:

1. The actual costs of materials and supplies incorporated or consumed as part of the project;

2. The actual costs of labor expended on the project site;

3. The actual costs of labor burden, limited to the costs of social security (FICA) and Medicare/Medicaid taxes; unemployment insurance costs; health/dental/vision insurance premiums; paid employee leave for holidays, vacation, sick leave, and/or petty leave, not to exceed a total of 30 days per year; retirement contributions; worker’s compensation insurance premiums; and the costs of general liability insurance when premiums are computed based on payroll amounts; the total of which shall not exceed sixty-three percent (63.5%) of the actual costs of labor;

4. The actual costs of rental for tools, excluding hand tools; equipment; machinery; and temporary facilities required for the project;

5. The actual costs of premiums for bonds, insurance, permit fees and sales or use taxes related to the project.

Overtime and extra pay for holidays and weekends may be a cost item only to the extent approved by the Owner.

f. Should concealed conditions be encountered in the performance of the work below grade, or should concealed or unknown conditions in an existing structure be at variance with the conditions indicated by the contract documents, the contract sum and time for completion may be equitably adjusted by change order upon claim by either party made within thirty (30) days after the condition has been identified. The cost of such change shall be arrived at by one of the foregoing methods.

All change orders shall be supported by a breakdown showing method of arriving at net cost as defined above.

g. In all change orders, the procedure will be for the Project Designer to request proposals for the change order work in writing. The CM will require the Principal Trade and Specialty Contractors to provide such proposals and supporting data in suitable format and will review and approve such change orders prior to submission to the designer. The Project Designer shall verify correctness. Within fourteen (14) days after receipt of the CM’s proposal, the Project Designer shall prepare the change order and forward to the CM for his signature or otherwise respond, in writing, to the CM’s proposal. Within seven (7) days after receipt of the change order executed by the CM, the Project Designer shall, certify the change order by his signature, and forward the change order and all supporting data to the Owner for the Owner’s signature. The Owner shall execute the change order and forward to the State Construction Office for final approval, within seven (7) days of receipt. The State Construction Office shall act on the change order within seven (7) days. Upon approval by the State Construction Office, one copy remains with the State Construction Office, and the remaining copies are sent to the Project Designer for distribution to the Owner(s), CM and the surety. In case of emergency or extenuating circumstances, approval of changes may be obtained verbally by telephone or field orders approved by all parties, then shall be substantiated in writing as outlined under normal procedure.
h. At the time of signing a change order, the CM shall be required to certify as follows:

"I certify that my bonding company will be notified forthwith that my contract has been changed by the amount of this change order, and that a copy of the approved change order will be mailed upon receipt by me to my surety."

i. A change order, when issued, shall be full compensation, or credit, for the work included, omitted or substituted. It shall show on its face the adjustment in time for completion of the project as a result of the change in the work.

j. If, during the progress of the work, the Owner requests a change order and the CM’s terms are unacceptable, the Owner, with the approval of the State Construction Office, may require the CM to perform such work on a time and material basis in accordance with paragraph “b” above. Without prejudice, nothing in this paragraph shall preclude the Owner from performing or to have performed that portion of the work requested in the change order.

ARTICLE 20 - CLAIMS FOR EXTRA COST

a. Should the CM consider that as a result of any instructions given in any form by the designer, he is entitled to extra cost above that stated in the contract, he shall give written notice thereof to the designer within seven (7) days without delay. The written notice shall clearly state that a claim for extra cost is being made and shall provide a detailed justification for the extra cost, and the CM shall not proceed with the work affected until further advised, except in emergency involving the safety of life or property, which condition is covered in Article 19(b) and Article 11(h). No claims for extra compensation will be considered unless the claim is so made. The Designer shall render a written decision within seven (7) days of receipt of claim.

b. The CM shall not act on instructions received by him from persons other than the Project Designer, and any claims for extra compensation or extension of time on account of such instruction will not be honored. The Project Designer will not be responsible for misunderstandings claimed by the CM of verbal instructions which have not been confirmed in writing, and in no case shall instructions be interpreted as permitting a departure from the contract documents unless such instruction is confirmed in writing and supported by a properly authorized change order.

c. Should a claim for extra compensation that complies with the requirements of (a) above by the CM be denied by the Project Designer or Owner, and cannot be resolved by a representative of the State Construction Office, the CM may request a mediation in connection with N.C.G.S. 143-128(f1) in the dispute resolution rules adopted by the State Building Commission (N.C.A.C. 3011.0101 through 1001). If the CM is unable to resolve its claims as a result of mediation, then the CM may pursue his claim in accordance with the provisions of N.C.G.S. 143-135.3, or G.S. 143-135.6 where Community Colleges are the owner, and the following:

I. A CM who has not completed a contract with a state agency or institution for construction or repair work and who has not received the amount he claims is due under the contract may submit a verified written claim to the Director of the State Construction Office of the Department of Administration for the amount the CM claims is due. The Director may deny, allow or compromise the claim, in whole or in part. A claim under this subsection is not a contested case under N.C.G.S. Chapter 150B.

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2. (a) A CM who has completed a contract with a State agency or institution for construction or repair work and who has not received the amount he claims is due under the contract may submit a verified written claim to the Director of the State Construction Office of the Department of Administration for the amount the CM claims is due. The claim shall be submitted within sixty (60) days after the CM receives a final statement of the board's disposition of his claim and shall state the factual basis for the claim.

(b) The Director shall investigate a submitted claim within ninety (90) days of receiving the claim, or within any longer time period upon which the Director and the CM agree. The CM may appear before the Director, either in person or through counsel, to present facts and arguments in support of his claim. The Director may allow, deny or compromise the claim, in whole or in part. The Director shall give the CM a written statement of the Director's decision on the CM’s claim.

(c) A CM who is dissatisfied with the Director's decision on a claim submitted under this subsection may commence a contested case on the claim under Chapter 150B of the General Statutes. The contested case shall be commenced within sixty (60) days of receiving the Director's written statement of the decision.

(d) As to any portion of a claim that is denied by the Director, the CM may, in lieu of the procedures set forth in the preceding subsection of this section, within six (6) months of receipt of the Director's final decision, institute a civil action for the sum he claims to be entitled to under the contract by filing a verified complaint and the issuance of a summons in the Superior Court of Wake County or in the superior court of any county where the work under the contract was performed. The procedure shall be the same as in all civil actions except that all issues shall be tried by the judge, without a jury.
ARTICLE 21 - MINOR CHANGES IN THE WORK

The Project Designer will have the authority to order minor changes in the work not involving an adjustment in the contract sum or time for completion, and not inconsistent with the intent of the contract documents. Such changes shall be effected by written order, copied to the State Construction Office, and shall be binding on the Owner and the CM.

ARTICLE 22 - UNCORRECTED FAULTY WORK

Should the correction of faulty or damaged work be considered inadvisable or inexpedient by the Owner and the Project Designer, the Owner shall be reimbursed by the CM. A change order will be issued to reflect a reduction in the contract sum.

ARTICLE 23 - TIME OF COMPLETION, DELAYS, EXTENSION OF TIME

a. The final completion date will be as determined by the Owner, Designer and CM during the pre-construction phase of the project and will be incorporated into the contract for construction services between the Owner and the CM.

b. The CM shall commence work to be performed under this agreement on a date to be specified in a written Notice to Proceed from the Project Designer and shall fully complete all work hereunder within the time of completion specified. For each day in excess of the above number of days, the CM shall pay the Owner the sum stated as liquidated damages reasonably estimated in advance to cover the losses to be incurred by the Owner by reason of failure of the CM to complete the work within the time specified, such time being in the essence of this contract and a material consideration thereof.

c. {NOT USED}

d. If the CM is delayed at any time in the progress of his work by any act or negligence of the Owner or the Project Designer, or by any employee of either; by changes ordered in the work; by labor disputes at the project site; by abnormal weather conditions not reasonably anticipated for the locality where the work is performed; by unavoidable casualties; by any causes beyond the contractor's control; or by any other causes which the designer and Owner determine may justify the delay, then the contract time may be extended by change order for the time which the designer and Owner may determine is reasonable.

Time extensions will not be granted for rain, wind, snow or other natural phenomena of normal intensity for the locality where work is performed. For purpose of determining extent of delay attributable to unusual weather phenomena, a determination shall be made by comparing the weather for the contract period involved with the average of the preceding five (5) year climatic range during the same time interval based on the National Oceanic and Atmospheric Administration National Weather Service statistics for the locality where work is performed and on daily weather logs kept on the job site by the CM reflecting the effect of the weather on progress of the work and initialed by the designer's representative. No weather delays shall be considered after the building is dried unless work claimed to be delayed is on the critical path of the baseline schedule or approved updated schedule. Time extensions for weather delays, acts of God, labor disputes, fire, delays in transportation, unavoidable casualties or other delays which are beyond the control of the Owner do not entitle the Contractor to compensable damages for delays. Any contractor claim for compensable damages for delays is limited to delays caused solely by the owner or its agents. Contractor caused delays shall be accounted for before owner or designer caused delays in the case of concurrent delays.
Time extensions for weather delays do not entitle the CM to "extended overhead" recovery.

e. Request for extension of time shall be made in writing to the designer, copies to the owner and SCO, within twenty (20) days following cause of delay. In case of continuing cause for delay, the CM shall notify the Project Designer copies to the owner and SCO, of the delay within twenty (20) days of the beginning of the delay and only one claim is necessary.

f. The CM shall notify his surety in writing of extension of time granted.

g. No claim shall be allowed on account of failure of the Project Designer to furnish drawings or instructions until twenty (20) days after demand for such drawings and/or instructions.

See Article 5c. Demand must be in written form clearly stating the potential for delay unless the drawings or instructions are provided. Any delay granted will begin after the twenty (20) day demand period is concluded.

ARTICLE 24 - PARTIAL UTILIZATION/BENEFICIAL OCCUPANCY

a. The Owner may desire to occupy or utilize all or a portion of the project when the work is substantially complete.

b. Should the owner request a utilization of a building or portion thereof, the designer shall perform a designer final inspection of area after being notified by the contractor that the area is ready for such. After the contractor has completed the designer final inspection punch list and the designer has verified, then the designer shall schedule a beneficial occupancy inspection at a time and date acceptable to the owner, contractor(s) and State Construction Office. If beneficial occupancy is granted by the State Construction Office, in such areas the following will be established:

1. The beginning of guarantees and warranties period for the equipment necessary to support in the area.

2. The owner assumes all responsibilities for utility costs for entire building.

3. Contractor will obtain consent of surety.

Contractor will obtain endorsement from insurance company permitting beneficial

Prior to the final payment, the Owner, with the approval of the State Construction Office, may request the CM in writing, through the Project Designer if applicable, to permit him to use a specified part of the project which he believes he may use without significant interference with construction of other parts of the project. If the CM agrees, the Project Designer will schedule a beneficial occupancy inspection, with the approval of the State Construction Office, after which the Project Designer may issue a certificate of substantial completion. The certificate shall include the following documentation:

1. Date of substantial completion.

2. A tentative list of items to be completed or corrected before final payment.
3. Establishing responsibility between the CM and Owner for maintenance, heat, utilities and insurance.

4. Establishing the date for guarantees and warranties under terms of the contract.

5. Consent of surety.

6. Endorsement from insurance company permitting occupancy.

c. The Owner shall have the right to exclude the CM from any part of the project which the Project Designer has so certified to be substantially complete, but the Owner will allow the CM reasonable access to complete or correct work to bring it into compliance with the contract.

d. Occupancy by the Owner under this article will in no way relieve the CM from his contractual requirement to complete the project within the specified time. The contractor will not be relieved of liquidated damages because of beneficial occupancy. The designer may prorate liquidated damages based on the percentage of project occupied.

ARTICLE 25 - FINAL INSPECTION, ACCEPTANCE, AND PROJECT CLOSEOUT

a. Upon notification from the CM that the project is complete and ready for inspection, the Project Designer shall make a preliminary designer final inspection to verify that the project is complete and ready for SCO final inspection. Prior to SCO final inspection, the CM shall ensure that all items requiring corrective measures noted at the preliminary designer final inspection are complete. The Project Designer shall schedule an SCO final inspection at a time and date acceptable to the Owner, the CM and the State Construction Office.

b. {NOT USED}

c. At the SCO final inspection, the Project-Designer and his consultants shall, if job conditions warrant, record a list of items that are found to be incomplete or not in accordance with the contract documents. At the conclusion of the SCO final inspection, the Project-Designer and State Construction Office representative shall make the following determinations:

1. That the project is completed and accepted.

2. That the project is accepted subject to the correction of the list of discrepancies (punch list). All punch list items must be completed within thirty (30) days of acceptance SCO final inspection or the Owner may invoke Article 28, Owner's Right to Do Work.

3. That the project is not complete and another date for a final inspection will be established.

d. Within fourteen (14) days of acceptance per Paragraph c1 or within fourteen (14) days after completion of punch list per Paragraph c2 above, the Project Designer shall certify the work and issue applicable certificate(s) of compliance.

e. Any discrepancies listed or discovered after the date of SCO final inspection and acceptance under Paragraphs c1 or c2 above shall be handled in accordance with Article 42.

f. The date of acceptance will establish the following:
1. The beginning of guarantees and warranties period.

2. The date on which the CM’s insurance coverage for public liability, property damage and builder’s risk may be terminated.

3. That no liquidated damages (if applicable) shall be assessed after this date.

4. The termination date of utility cost to the CM (if applicable).

g. Prior to issuance of final acceptance date, the contractor shall have his authorized representatives visit the project and give full instructions to the designated personnel regarding operating, maintenance, care, and adjustment of all equipment and special construction elements. In addition, the contractor shall provide to the owner a complete instructional video (media format acceptable to the owner) on the operation, maintenance, care and adjustment of all equipment and special construction elements.

ARTICLE 26 - CORRECTION OF WORK BEFORE FINAL PAYMENT

a. Any work, materials, fabricated items or other parts of the work which have been condemned or declared not in accordance with the contract by the Project Designer shall be promptly removed from the work site by the CM, and shall be immediately replaced by new work in accordance with the contract at no additional cost to the Owner. Work or property of the Owner, damaged or destroyed by virtue of such faulty work, shall be made good at the expense of the CM.

b. Correction of condemned work described above shall commence within twenty-four (24) hours after receipt of notice from the Project Designer, and shall make satisfactory progress until completed.

c. Should the CM fail to proceed with the required corrections, then the Owner may complete the work in accordance with the provisions of Article 28.

ARTICLE 27 - CORRECTION OF WORK AFTER FINAL PAYMENT

See Article 35, Performance Bond and Payment Bond, and Article 42, Guarantee. Neither the final certificate, final payment, occupancy of the premises by the Owner, nor any provision of the contract or any act or instrument of the Owner, nor the Project Designer, shall relieve the CM from responsibility for negligence, or faulty material or workmanship, or failure to comply with the drawings and specifications. The CM shall correct or make good any defects due thereto and repair any damage resulting therefrom, which may appear during the guarantee period following final acceptance of the work except as stated otherwise under Article 42, Guarantee. The Owner will report any defects as they may appear to the CM and establish a time limit for completion of corrections by the CM. The Owner will be the judge as to the responsibility for correction of defects.

ARTICLE 28 - OWNER’S RIGHT TO DO WORK

If, during the progress of the work or during the period of guarantee, the CM fails to prosecute the work properly or to perform any provision of the contract, the Owner, after fifteen (15) days written notice sent by certified mail, return receipt requested, to the CM from the Project Designer, may perform or have performed that portion of the work. The cost of the work may be deducted from any amounts due or to become due to the CM, such action and cost of same having been first approved by the Project Designer. Should the cost of such action of
the Owner exceed the amount due or to become due the CM, then the CM or his surety, or both, shall be liable for and shall pay to the Owner the amount of said excess.

ARTICLE 29 - ANNULMENT OF CONTRACT

If the CM fails to begin the work under the contract within the time specified or fails to establish a GMP or obtain bids from or enter into contracts with qualified Principal Trade or Specialty Contractors within the GMP, or the progress of the work is not maintained on schedule, or the work is not completed within the time above specified, or fails to perform the work with sufficient workmen and equipment or with sufficient materials to ensure the prompt completion of said work, or shall perform the work unsuitably or shall discontinue the prosecution of the work, or if the CM shall become insolvent or be declared bankrupt or commit any act of bankruptcy or insolvency, or allow any final judgment to stand against him unsatisfied for a period of forty-eight (48) hours, or shall make an assignment for the benefit of creditors, or for any other cause whatsoever shall not carry on the work in an acceptable manner, the Owner may give notice in writing, sent by certified mail, return receipt requested, to the CM and his surety of such delay, neglect or default, specifying the same, and if the CM within a period of fifteen (15) days after such notice shall not proceed in accordance therewith, then the Owner shall, declare this contract in default, and, thereupon, the surety shall promptly take over the work and complete the performance of this contract in the manner and within the time frame specified. In the event the surety shall fail to take over the work to be done under this contract within fifteen (15) days after being so notified and notify the Owner in writing, sent by certified mail, return receipt requested, that he is taking the same over and stating that he will diligently pursue and complete the same, the Owner shall have full power and authority, without violating the contract, to take the prosecution of the work out of the hands of said CM, to appropriate or use any or all contract materials and equipment on the grounds as may be suitable and acceptable and may enter into an agreement, either by public letting or negotiation, for the completion of said contract according to the terms and provisions thereof or use such other methods as in his opinion shall be required for the completion of said contract in an acceptable manner. All costs and charges incurred by the Owner, together with the costs of completing the work under contract, shall be deducted from any monies due or which may become due said CM and surety. In case the expense so incurred by the Owner shall be less than the sum which would have been payable under the contract, if it had been completed by said CM, then the said CM and surety shall be entitled to receive the difference, but in case such expense shall exceed the sum which would have been payable under the contract, then the CM and the surety shall be liable and shall pay to the Owner the amount of said excess.

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ARTICLE 30 - CONSTRUCTION MANAGER'S RIGHT TO STOP WORK OR TERMINATE THE CONTRACT

a. Should the work be stopped by order of a court having jurisdiction, or by order of any other public authority for a period of three months, due to cause beyond the fault or control of the CM, or if the Owner should fail or refuse to make payment on account of a certificate issued by the Project Designer within thirty-five (35) days after receipt of same, then the CM, after fifteen (15) days' written notice sent by certified mail, return receipt requested, to the Owner and the Project Designer, may suspend operations on the work or terminate the contract.

b. The Owner shall be liable to the CM for the cost of all materials delivered and work performed on this contract plus twenty (20) percent overhead and profit and shall make such payment. The Project Designer shall be the judge as to the correctness of such payment.

ARTICLE 31 - REQUEST FOR PAYMENT

a. Based on applications for payment submitted to the Project Designer by the CM and certificates for payment issued by the Project Designer, the Owner shall make progress payments on account of the contract sum to the CM as provided below and elsewhere in the contract documents. The period covered by each application for payment shall be one calendar month ending on the last day of the month.

b. Not later than the fifth day of the month, the CM shall submit to the designer a request for payment for work done during the previous month. The request shall be in the form agreed upon between the CM and the designer, but shall show substantially the value of work done and materials delivered to the site during the period since the last payment, and shall sum up the financial status of the contract with the following information:

1. Total of contract including change orders.
2. Value of work completed to date.
3. Less five percent (5%) retainage, provided however, that after fifty percent (50%) of the CM's work has been satisfactorily completed on schedule, with approval of the owner and the State Construction Office and written consent of the surety. Further requirements for retainage will be waived only so long as work continues to be completed satisfactorily and on schedule.
4. Less previous payments.
5. Current amount due.

b. Provided an application for payment is received by the Project Designer not later than the 5th day of the month, the Owner shall make payment to the CM not later than the 20th day of the following month. If an application for payment is received by the Project Designer after the application date fixed above, payment shall be made by the Owner not later than forty-five days after the Project Designer receives the application for payment.

Prior to submitting the first payment request, the CM shall prepare a schedule showing a breakdown of the contract price into values of the various parts of the GMP contract. The cost of the Work breakdown will be arranged so as to facilitate payments to the Principal Trade and Specialty Contractors in accordance with Article 17. The combined CM
Construction Management Fee, Bonds & Insurance, CM Contingency, and Project Reserve (if any) will be shown on the Schedule of values as separate lines. The values for the CM Contingency and Project Reserve (if any) will move to appropriate lines within the Cost of the Work as those funds are committed and expended. This schedule of values will be submitted to & approved by the Project Designer and Owner within 30 days of the Notice to Proceed. The schedule of values shall be prepared in such form and supported by such data to substantiate its accuracy as the Project Designer and Owner may require.

d. Applications for payment shall be in a form agreed upon by the CM, Project Designer and Owner and shall prepared and supported by such data to substantiate the accuracy of the request as the Project Designer may require.

e. Subject to other provisions of the contract documents, the amount of each progress payment shall be computed as follows:

1. Take that portion of the GMP properly allocable to completed work as determined by multiplying the percentage completion of each portion Cost of the Work by the share of the GMP allocated to that portion of the work in the schedule of values.

2. Add that portion of the GMP properly allocable to materials and equipment delivered and suitably stored at the site for subsequent incorporation in the work or if approved in advance by the Owner, suitably stored off site at a location agreed upon in writing.

3. Subtract the aggregate of previous payments made by the Owner.

4. Subtract the amount, in any, by which the CM has been previously overpaid, as evidenced by the Owner’s review of the CM’s documentation.

5. Subtract amounts, if any, for which the Project Designer has withheld or nullified a certificate of payment.

6. Subtract retainage as per paragraph (h) below.

7. Add the amount due for the CM Construction Management Fee calculated on the basis the percentage completion of the project or on a schedule of payment negotiated with the Owner less fifteen percent (15%) and less previous payments for CM Construction Management Fee.

f. Payment allocated to Principal Trade and Specialty Contractors shall be subject to five percent (5%) retainage, provided, however that after fifty percent (50%) of the Cost of the Work has been satisfactorily completed on schedule, with the approval of the Owner and the State Construction Office and with written consent of the surety, further requirements for retainage will be waived only so long as work continues to be completed satisfactorily and on schedule. The balance of the CM Construction Management Fee shall be held by the Owner until satisfactory completion and close out of the project. Satisfactory completion and close out of the project means that the Owner and Project Designer are satisfied that the project has been completed in accordance with the plans and specifications and within the GMP, all general conditions of the contract pertaining to close out have been satisfied, and all Principal Trade and Specialty Contractors have satisfactorily completed their respective contracts. No retainage will be held for the cost of Bonds and Insurance.

g. When payment is made on account of stored materials and equipment, such materials must be stored on the owner's property, and the requests for payments shall be accompanied by...
invoices or bills of sale or other evidence to establish the owner's title to such materials and equipment. Such payments will be made only for materials that have been customized or fabricated specifically for this project. Raw materials or commodity products including but not limited to piping, conduit, CMU, metal studs and gypsum board may not be submitted. Responsibility for such stored materials and equipment shall remain with the CM regardless of ownership title. Such stored materials and equipment shall not be removed from the owner's property. Should the space for storage on-site be limited, the CM at his option, shall be permitted to store such materials and/or equipment in a suitable space off-site. Should the CM desire to include any such materials or equipment in his application for payment, they must be stored in the name of the owner in an independent, licensed, bonded warehouse approved by the designer, owner and the State Construction Office and located as close to the site as possible. The warehouse selected must be approved by the CM's bonding and insurance companies; the material to be paid for shall be assigned to the owner and shall be inspected by the designer. Upon approval by the designer, owner and SCO of the storage facilities and materials and equipment, payment therefore will be certified. Responsibility for such stored materials and equipment shall remain with the CM. Such stored materials and equipment shall not be moved except for transportation to the project site. Under certain conditions, the designer may approve storage of materials at the point of manufacture, which conditions shall be approved by the designer, the owner and the State Construction Office prior to approval for the storage and shall include an agreement by the storing party which unconditionally gives the State absolute right to possession of the materials at anytime. Bond, security and insurance protection shall continue to be the responsibility of the CM.

d. In the event of beneficial occupancy, retainage of funds due the CM may be reduced with the approval of the State Construction Office to an equitable amount to cover the list of items to be completed or corrected. Retainage may not be reduced to less than two and one-half (2 1/2) times the estimated value of the work to be completed or corrected. Reduction of retainage must be with the consent and approval of the CM's bonding company.

e. Except with the Owner's prior approval, the CM shall not make advance payments to suppliers for materials or equipment, which has not been delivered and stored at the site.

f. The Project Designer shall take action on the CM's application for payment in accordance with the Agreement between the Owner and Designer. The Project Designer's certification for payment shall be based upon the Project Designer's on-site observation and the documentation submitted by the CM with the application for payment.

ARTICLE 32 - CERTIFICATES OF PAYMENT AND FINAL PAYMENT

a. Within five (5) days from receipt of request for payment from the CM, the Project Designer shall issue and forward to the Owner a certificate for payment. This certificate shall indicate the amount requested or as approved by the Project Designer. If the certificate is not approved by the Project Designer, he shall state in writing to the CM and the Owner his reasons for withholding payment.

b. No certificate issued or payment made shall constitute an acceptance of the work or any part thereof. The making and acceptance of final payment shall constitute a waiver of all claims by the Owner except:

1. Claims arising from unsettled liens or claims against the CM.
2. Faulty work or materials appearing after final payment.
3. Failure of the contractor to perform the work in accordance with drawings and specifications, such failure appearing after payment.

4. As conditioned in the performance bond and payment bond.

c. The making and acceptance of final payment shall constitute a waiver of all claims by the CM except those claims previously made and remaining unsettled (Article 20(c)).

d. Prior to submitting request for final payment to the Project Designer for approval, the CM shall fully comply with all requirements specified in the “project closeout” section of the specifications. These requirements include but not limited to the following:

1. Submittal of Product and Operating Manuals, Warranties and Bonds, Guarantees, Maintenance Agreements, As-Built Drawings, Certificates of Inspection or Approval from agencies having jurisdiction. (The Project Designer must approve the Manuals prior to delivery to the Owner).

2. Transfer of required attic stock material and all keys in an organized manner.

3. Record of Owner’s training.

4. Resolution of any final inspection discrepancies.

5. Granting access to Contractor’s records, if Owner’s internal auditors have made a request for such access pursuant to Article 52.

e. The CM shall forward to the Project Designer, the final application for payment along with the following documents:

1. List of minority business subcontractors and material suppliers showing breakdown of contracts amounts and total actual payments to subcontractors and material suppliers.


3. Affidavit from CM of payment to material suppliers and subcontractors. (See Article 36).

4. Consent of Surety to Final Payment.

5. Certificates of state agencies required by state law.

f. The Project Designer will not authorize final payment until the work under contract has been certified by Project Designer, certificates of compliance issued, and the CM has complied with the closeout requirements. The Project Designer shall forward the CM’s final application for payment to the Owner along with respective certificate(s) of compliance required by law.

**ARTICLE 33 - PAYMENTS WITHHELD**

a. The Project Designer with the approval of the State Construction Office may withhold payment for the following reasons:

1. Faulty work not corrected.
2. The unpaid balance on the contract is insufficient to complete the work in the judgment of the designer.

3. To provide for sufficient contract balance to cover liquidated damages that will be assessed against the CM.

b. The Secretary of the Department of Administration may authorize the withholding of payment for the following reasons:

1. Claims filed against the CM or evidence that a claim will be filed.

2. Evidence that Principal Trade or Specialty Contractors have not been paid.

c. c. The Owner may withhold all or a portion of CM’s Project Management Fee costs set forth in the approved schedule of values, if CM has failed to comply with: (1) a request to access its records by Owner’s internal auditors pursuant to Article 52; (2) a request for a plan of action and/or recovery schedule under Article 14; or provide the Owner; (3) a request to provide an electronic copies of Contractor’s baseline schedule, updates with all logic used to create the schedules in the original format of the scheduling software; and (4) Contractor’s failure to have its Superintendent on the Project full-time.

d. When grounds for withholding payments have been removed, payment will be released. Delay of payment due to the CM without cause will make owner liable for payment of interest to the CM in accordance with G.S. 143-134.1. As provided in G.S.143-134.1(c) the owner shall not be liable for interest on payments withheld by the owner for unsatisfactory job progress, defective construction not remedied, disputed work, or third-party claims filed against the owner or reasonable evidence that a third-party claim will be filed.

e. When grounds for withholding payments have been removed, payment will be released. Delay of payment due to the CM without cause will make Owner liable for payment of interest to the contractor as provided in N.C.G.S. 143-134.1.

ARTICLE 34 - MINIMUM INSURANCE REQUIREMENTS

The work under this contract shall not commence until the CM has verified to the Owner that all required insurance and verifying certificates of insurance have been obtained and approved in writing by the Owner. These certificates shall contain a provision that coverage’s afforded under the policies will not be cancelled, reduced in amount or coverage’s eliminated until at least thirty (30) days after mailing written notice, by certified mail, return receipt requested, to the insured and the Owner of such alteration or cancellation.

a. **Worker’s Compensation and Employer’s Liability**

   The CM shall ensure that it and all Principal Trade and Specialty Contractors shall provide and maintain, during the life of the contract, workmen’s compensation insurance, as required by law, as well as employer’s liability coverage with minimum limits of $100,000.

b. **Public Liability and Property Damage**

   The CM shall ensure that it and all Principal Trade and Specialty Contractors shall provide and maintain, during the life of the contract, comprehensive general liability insurance, including coverage for premises operations, independent contractors, completed operations.
products and contractual exposures, as shall protect such contractors from claims arising out of any bodily injury, including accidental death, as well as from claims for property damages which may arise from operations under this contract, whether such operations be by the contractor or by any subcontractor, or by anyone directly or indirectly employed by either of them and the minimum limits of such insurance shall be as follows:

Bodily Injury: $500,000 per occurrence
Property Damage: $100,000 per occurrence / $300,000 aggregate

In lieu of limits listed above, a $500,000 combined single limit shall satisfy both conditions.

Such coverage for completed operations must be maintained for at least two (2) years following final acceptance of the work performed under the contract.

c. **Property Insurance (Builder’s Risk/Installation Floater)**

The CM shall ensure that it and all Principal Trade and Specialty Contractors shall purchase and maintain property insurance during the life of this contract, upon the entire work at the site to the full insurable value thereof. This insurance shall include the interests of the Owner, the CM, and subcontractors in the work and shall insure against the perils of fire, extended coverage, and vandalism and malicious mischief. If the Owner is damaged by failure of the CM to purchase or maintain such insurance, then the CM shall bear all reasonable costs properly attributable thereto; the CM shall effect and maintain similar property insurance on portions of the work stored off the site when request for payment per articles so includes such portions.

d. **Deductible**

Any deductible, if applicable to loss covered by insurance provided, is to be borne by the CM and/or the Principal Trade or Specialty Contractor as applicable.

e. **Other Insurance**

The CM shall ensure that it and all Principal Trade and Specialty Contractors shall obtain such additional insurance as may be required by the Owner or by the General Statutes of North Carolina including motor vehicle insurance, in amounts not less than the statutory limits.

f. **Proof of Carriage**

The CM shall ensure that it and all Principal Trade and Specialty Contractors shall furnish the Owner with satisfactory proof of carriage of the insurance required before written approval is granted by the Owner.

**ARTICLE 35 - PERFORMANCE BOND AND PAYMENT BOND**

a. The CM shall furnish a performance bond and payment bond executed by a surety company authorized to do business in North Carolina. The bonds shall be in the full contract amount, which shall be in the amount of the GMP for the entire project. Bonds shall be executed in the form bound with the specifications

b. All bonds shall be countersigned by an authorized agent of the bonding company who is licensed to do business in North Carolina.

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ARTICLE 36 - CONTRACTOR'S AFFIDAVIT

The final payment of retained amount due the CM on account of the contract shall not become due until the CM has furnished to the Owner through the Project Designer an affidavit signed, sworn and notarized to the effect that all payments for materials, services or subcontracted work to Principal Trade and Specialty Contractors in connection with his contract have been satisfied, and that no claims or liens exist against the CM in connection with this contract. In the event that the CM cannot obtain similar affidavits from the Principal Trade and Specialty Contractors to protect the CM and the Owner from possible liens or claims against the subcontractor, the CM shall state in his affidavit that no claims or liens exist against any subcontractor to the best of his (the CM’s) knowledge, and if any appear afterward, the CM shall save the Owner harmless.

ARTICLE 37 - ASSIGNMENTS

The CM shall not assign any portion of this contract nor subcontract in its entirety. Except as may be required under terms of the performance bond or payment bond, no funds or sums of money due or become due the CM under the contract may be assigned.

ARTICLE 38 - USE OF PREMISES

a. The CM shall confine his apparatus, the storage of materials and the operations of his workmen to limits indicated by law, ordinances, permits or directions of the Project Designer and shall not exceed those established limits in his operations.

b. The CM shall not load or permit any part of the structure to be loaded with a weight that will endanger its safety.

c. The CM shall enforce the Project Designer’s and owner’s instructions regarding signs, advertisements, fires and smoking.

d. No firearms, any type of alcoholic beverages or drugs (other than those prescribed by a physician) will be permitted at the job site.

ARTICLE 39 - CUTTING, PATCHING AND DIGGING

a. The CM shall ensure that all cutting, fitting or patching that may be required to make the work come together properly and fit it to receive or be received by work of other contractors shown upon or reasonably implied by the drawings and specifications for the completed structure, as the Project Designer may direct.

b. Any cost brought about by defective or ill-timed work shall be borne by the party responsible therefor.

c. No Principal Trade or Specialty Contractor shall endanger any work of another such contractor by cutting, digging or other means, nor shall he cut or alter the work of any other such contractor without the consent of the Project Designer and the affected contractor(s).

ARTICLE 40 - UTILITIES, STRUCTURES, SIGNS

a. The CM shall provide necessary and adequate facilities for water, electricity, gas, oil, sewer, and other utility services, which may be necessary and required for completion of the project. If the Owner specifies that the CM is to pay all utilities, any permanent meters
installed shall be listed in the CM’s name until his work is fully accepted by the Owner. As stipulated in the Supplementary General Conditions, the Owner may: (1) pay utilities cost directly, (2) require the CM to pay all utilities cost, (3) or reimburse the CM for the actual cost of utilities. The Owner or CM, as applicable, may recover actual costs of metered utilities from the responsible party should delays occur in project completion. Coordination of the work of the utility companies during construction is the sole responsibility of the CM.

b. If applicable Meters shall be relisted in the Owner's name on the day following completion and acceptance of the CM’s work, and the Owner shall pay for services used after that date.

c. {NOT USED}

d. Prior to the operation of permanent systems, the CM will provide temporary power, lighting, water, and heat to maintain space temperature above freezing, as required for construction operations.

e. The CM shall ensure that the permanent building systems are in sufficient readiness for furnishing temporary climatic control at the time a building is enclosed and secured. The HVAC systems shall maintain climatic control throughout the enclosed portion of the building sufficient to allow completion of the interior finishes of the building. A building shall be considered enclosed and secured when windows, doorways (exterior, mechanical, and electrical equipment rooms), and hardware are installed; and other openings have protection, which will provide reasonable climatic control. The appropriate time to start the mechanical systems and climatic condition shall be jointly determined by the CM and the designer. Use of the equipment in this manner shall in no way affect the warranty requirements of the CM.

f. The CM shall coordinate the work so that the building's permanent power wiring distribution system shall be in sufficient readiness to provide power as required by the HVAC contractor for temporary climatic control.

g. The CM shall coordinate the work so that the building's permanent lighting system shall be ready at the time interior painting and finishing begins and shall provide adequate lighting in those areas where interior painting and finishing is being performed.

h. The CM shall be responsible for his permanently fixed service facilities and systems in use during progress of the work. The following procedures shall be strictly adhered to:

1. Prior to acceptance of work by the Owner at Construction Office, the CM shall coordinate the removal and replacement of any parts of the permanent building systems damaged through use during construction.

2. Temporary filters as recommended by the equipment manufacturer in order to keep the equipment and ductwork clean and free of dust and debris shall be installed in each of the heating and air conditioning units and at each return grille during construction. New filters shall be installed in each unit prior to the Owner's acceptance of the work.

3. Extra effort shall be maintained to keep the building and the site adjacent to the building clean and under no circumstances shall air systems be operated if finishing and site work operations are creating dust in excess of what would be considered normal if the building were occupied.

4. It shall be understood that any warranty on equipment presented to the Owner shall extend from the day of final acceptance by the Owner. The cost of warranting the
equipment during operation in the finishing stages of construction shall be borne by the contractor whose system is utilized.

5. The CM shall ensure that all lamps are in proper working condition at the time of final project acceptance.

The CM shall provide, if required and where directed, a shed for toilet facilities and shall furnish and install in this shed all water closets required for a complete and adequate sanitary arrangement. These facilities will be available to other contractors on the job and shall be kept in a neat and sanitary condition at all times. Chemical toilets are acceptable.

The CM shall, if required by the Supplementary General Conditions and where directed, erect a temporary field office, complete with lights, telephone, heat and air conditioning. A portion of this office shall be partitioned off, of sufficient size, for the use of a resident inspector, should the designer so direct.

k. On multi-story construction projects, the CM shall either provide or ensure that temporary elevators, lifts, or other necessary special equipment is available for the general use of all contractors. The cost for such elevators, lifts or other special equipment and the operation thereof shall either be included in the CM Construction Management Fee or specified as part of the work of a Principal Trade or Specialty Contractor and paid for as a part of the Cost of the Work.

l. The CM will erect one sign on the project if required. The sign shall be of sound construction, and shall be neatly lettered with black letters on white background. The sign shall bear the name of the project, the CM's name, the name of the Project Designer and consultants. Directional signs may be erected on the Owner's property subject to approval of the Owner with respect to size, style and location of such directional signs. Such signs may bear the name of the contractor and a directional symbol. No other signs will be permitted except by permission of the Owner.

ARTICLE 41 - CLEANING UP

a. The CM shall ensure that the building and surrounding area is reasonably free from rubbish at all times, and shall remove debris from the site on a timely basis or when directed to do so by the Project Designer. The CM shall provide an on-site refuse container(s) for the use of all Principal Trade and Specialty Contractors. The CM shall ensure that each Principal Trade and Specialty Contractor removes their rubbish and debris from the building on a daily basis. The CM shall ensure that the building is broom cleaned as required to minimize dust and dirt accumulation.

b. The CM shall provide and maintain suitable all-weather access to the building.

c. Before final inspection and acceptance of the building, the CM shall ensure that all portions of the work are clean, including glass, hardware, fixtures, masonry, tile and marble (using no acid), clean and wax all floors as specified, and completely prepare the building for use by the Owner, with no cleaning required by the Owner.

ARTICLE 42 - GUARANTEE

a. The CM shall unconditionally guarantee materials and workmanship against patent defects arising from faulty materials, faulty workmanship or negligence for a period of twelve (12)
months following the date of final acceptance of the work or beneficial occupancy and shall replace such defective materials or workmanship without cost to the Owner.

b. Where items of equipment or material carry a manufacturer's warranty for any period in excess of twelve (12) months, then the manufacturer's warranty shall apply for that particular piece of equipment or material. The CM shall replace such defective equipment or materials, without cost to the Owner, within the manufacturer's warranty period.

c. Additionally, the Owner may bring an action for latent defects caused by the negligence of the CM, which is hidden or not readily apparent to the owner at the time of beneficial occupancy or final acceptance, whichever occurred first, in accordance with applicable law.

d. Guarantees for roof, equipment, materials, and supplies shall be stipulated in the specifications sections governing such roof, equipment, materials, or supplies.

ARTICLE 43 - CODES AND STANDARDS

Wherever reference is given to codes, standard specifications or other data published by regulating agencies including, but not limited to, national electrical codes, North Carolina State Building Codes, federal specifications, ASTM specifications, various institute specifications, etc., it shall be understood that such reference is to the latest edition including addenda published prior to the date of the contract documents.

ARTICLE 44 - INDEMNIFICATION

To the fullest extent permitted by law, the CM shall indemnify and hold harmless the Owner, the Project Designer and the agents, consultants and employees of the Owner and Project Designer, from and against all claims, damages, losses and expenses, including, but not limited to, attorneys' fees, arising out of or resulting from the performance or failure of performance of the work, provided that any such claim, damage, loss or expense (1) is attributable to bodily injury, sickness, disease or death, or to injury to or destruction of tangible property (other than the work itself) including the loss of use resulting therefrom, and (2) is caused in whole or in part by any negligent act or omission of the CM, the CM's subcontractor, or the agents of either the CM or the CM's subcontractor. Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this article.

ARTICLE 45 - TAXES

a. Federal excise taxes do not apply to materials entering into state work (Internal Revenue Code, Section 3442(3)).

b. Federal transportation taxes do not apply to materials entering into state work (Internal Revenue Code, Section 3475(b) as amended).

c. North Carolina sales tax and use tax, as required by law, do apply to materials entering into state work and such costs shall be included in the bid proposal and contract sum.

d. Local option sales and use taxes, as required by law, do apply to materials entering into state work as applicable and such costs shall be included in the bid proposal from Principal Trade and specialty Contractors and contract sum.

e. Accounting Procedures for Refund of County Sales & Use Tax
Amount of county sales and use tax paid per CM’s statements:

CM’s performing contracts for state agencies shall ensure that the Principal Trade and Specialty Contractors provide information to allow the CM to give the state agency for whose project the materials, supplies, fixtures and/or equipment was purchased a signed statement containing the information listed in N.C.G.S. 105-164.14(e).

The Department of Revenue has agreed that in lieu of obtaining copies of sales receipts from contractors, an agency may obtain a certified statement as of April 1, 1991—whereby the contractor sets forth the date, the type of property and the cost of the property purchased from each vendor, the county in which the vendor made the sale and the amount of local sales and use taxes paid thereon. If the property was purchased out-of-state, the county in which the property was delivered should be listed. The contractor should also be notified that the certified statement may be subject to audit.

In the event the contractors make several purchases from the same vendor, such certified statement must indicate the invoice numbers, the inclusive dates of the invoices, the total amount of the invoices, the counties, and the county sales and use taxes paid thereon.

Name of taxing county: The position of a sale is the retailer’s place of business located within a taxing county where the vendor becomes contractually obligated to make the sale. Therefore, it is important that the county tax be reported for the county of sale rather than the county of use.

When property is purchased from out-of-state vendors and the county tax is charged, the county should be identified where delivery is made when reporting the county tax.

Such statement must also include the cost of any tangible personal property withdrawn from the contractor’s warehouse stock and the amount of county sales or use tax paid thereon by the CM.

Contractors are not to include any tax paid on supplies, tools and equipment which they use to perform their contracts and should include only those building materials, supplies, fixtures and equipment which actually become a part of or annexed to the building or structure.

ARTICLE 46 - EQUAL OPPORTUNITY CLAUSE

The non-discrimination clause contained in Section 202 (Federal) Executive Order 11246, as amended by Executive Order 11375, relative to equal employment opportunity for all persons without regard to race, color, religion, sex or national origin, and the implementing rules and regulations prescribed by the Secretary of Labor, are incorporated herein.

ARTICLE 47 - EMPLOYMENT OF THE HANDICAPPED INDIVIDUALS WITH DISABILITIES

The CM agrees not to discriminate against any employee or applicant for employment because of physical or mental handicap in regard to any position for which the employee or applicant is qualified. The CM agrees to take affirmative action to employ, advance in employment and otherwise treat qualified handicapped individuals without discrimination based upon their physical or mental handicap in all employment practices.

ARTICLE 48 - ASBESTOS-CONTAINING MATERIALS (ACM)

The State of North Carolina has attempted to address all asbestos-containing materials that are to be disturbed in the project. However, there may be other asbestos-containing materials in the
work areas that are not to be disturbed and do not create an exposure hazard. Construction Managers are reminded of the requirements of instructions under General Conditions of the Contract, titled Examination of Conditions. Statute 130A, Article 19, amended August 3, 1989, established the Asbestos Hazard Management Program that controls asbestos abatement in North Carolina. The latest edition of Guideline Criteria for Asbestos Abatement from the State Construction Office is to be incorporated in all asbestos abatement projects for the Capital Improvement Program.

ARTICLE 49 - MINORITY BUSINESS PARTICIPATION

N.C.G.S. 143-128.2 establishes a ten percent (10%) goal for participation by minority businesses in total value of work for each State building project and requires documentation of good faith efforts for meeting that goal. The document, Guidelines for Recruitment and Selection of Minority Businesses for Participation in State Construction Contracts including Affidavits and Appendix F are hereby incorporated into and made a part of this contract.

The CM shall identify and define contract packages (the value of which shall total to at least ten percent (10%) of the GMP) that remove barriers to participation commonly experienced by Historically Underutilized Businesses and Minority Business Enterprises as those terms are defined in North Carolina General Statute 143-128.2, hereinafter referred to as Reduced Barrier Packages (RBP). Such contract packages will be submitted to the Owner for review. As an example, RBP’s may require no performance or payment bond, or may offer the participation of the CM as a guarantor or surety in the financing of material purchases by the Principal Trade and/or Specialty Contractors, provided that the CM may condition such financing participation upon the issuance of joint checks or other similar arrangements to allow the CM to verify that timely payments are made to suppliers furnishing credit. The CM may propose other and/or additional provisions for reducing barriers to participation.

The Owner shall require the CM to submit a plan for compliance with N.C.G.S.143-128.2 by approval by the Owner prior to soliciting bids for the Principal Trade and Specialty Contracts. The CM and Principal Trade and Specialty Contractors shall make a good faith effort to recruit and select minority businesses for participation in contracts pursuant to N.C.G.S. 143-128.2.

ARTICLE 50 – CONTRACTOR EVALUATION

The CM’s overall work performance on the project shall be fairly evaluated in accordance with the State Building Commission policy and procedures, for determining qualifications to compete for future capital improvement projects for institutions and agencies of the State of North Carolina. In addition to final evaluation, interim evaluation may be prepared during the progress of project. The document, Construction Manager Evaluation Procedures, is hereby incorporated and made a part of this contract. The Owner may request the CM’s comments to evaluate the Project Designer.

ARTICLE 51 – GIFTS

Pursuant to N.C. Gen. Stat. § 133-32, it is unlawful for any vendor or contractor (i.e., architect, bidder, contractor, construction manager, design professional, engineer, subcontractor, supplier, vendor, etc.) to make gifts or to give favors to any State employee. This prohibition covers those vendors and contractors who: (1) have a contract with a governmental agency; or (2) have performed under such a contract within the past year; or (3) anticipate bidding on such a contract in the future. For additional information regarding the specific requirements and exemptions, vendors and contractors are encouraged to review G.S. Sec. 133-32.

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During the construction of the Project, the Contractor is prohibited from making gifts to any of the Owner's employees, Owner's project representatives (architect, engineers, construction manager and their employees), employees of the State Construction Office and/or any other State employee that may have any involvement, influence, responsibilities, oversight, management and/or duties that pertain to and/or relate to the contract administration, financial administration and/or disposition of claims arising from and/or relating to the Contract and/or Project.

N.C. G.S. 133-32 and Executive Order 24 prohibit the offer or, or acceptance by, any state employee of any gift from anyone with a contract with the State, or from any person seeking to do business with the State. By execution of any response in this contract, you attest, for your entire organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

ARTICLE 52 – AUDITING-ACCESS TO PERSONS AND RECORDS

In accordance with N.C. General Statute 147-64.7, the State Auditor shall have access to Contractor's officers, employees, agents and/or other persons in control of and/or responsible for the Contractor’s records that relate to this Contract for purposes of conducting audits under the referenced statute. The Owner’s internal auditors shall also have the right to access and copy the Contractor’s records relating to the Contract and Project during the term of the Contract and within two years following the completion of the Project/close-out of the Contract to verify accounts, accuracy, information, calculations and/or data affecting and/or relating to Contractor's requests for payment, requests for change orders, change orders, claims for extra work, requests for time extensions and related claims for delay/extended general conditions costs, claims for lost productivity, claims for loss efficiency, claims for idle equipment or labor, claims for price/cost escalation, pass-through claims of subcontractors and/or suppliers, and/or any other type of claim for payment or damages from Owner and/or its project representatives.

ARTICLE 53 – NORTH CAROLINA FALSE CLAIMS ACT

The North Carolina False Claims Act ("NCFCA"), N.C. Gen. Stat. § 1-605 through 1-618, applies to this Contract. The Contractor should familiarize itself with the entire NCFCA and should seek the assistance of an attorney if it has any questions regarding the NCFCA and its applicability to any requests, demands and/or claims for payment it submits to the State through the contracting state agency, institution, university or community college.

The purpose of the NCFCA is "to deter persons from knowingly causing or assisting in causing the State to pay claims that are false or fraudulent and to provide remedies in the form of treble damages and civil penalties when money is obtained from the State by reason of a false or fraudulent claim." (Section 1-605(b)). A contractor's liability under the NCFCA may arise from, but is not limited to: requests for payment, invoices, billing, claims for extra work, requests for change orders, requests for time extensions, claims for delay damages/extended general conditions costs, claims for loss productivity, claims for loss efficiency, claims for idle equipment or labor, claims for price/cost escalation, pass-through claims of subcontractors and/or suppliers, documentation used to support any of the foregoing requests or claims, and/or any other request for payment from the State through the contracting state
agency, institution, university, or community college. The parts of the NCTCA that are most likely to be enforced with respect to this type of contract are as follows:

- A "claim" is "[a]ny request or demand, whether under a contract or otherwise, for money or property, and whether or not the State has title to the money or property, that (a) is presented to an officer, employee, or agent of the State or (b) is made to a contractor ... if the money or property is to be spent or used on the State's behalf or to advance a State program or interest and if the State government: (a) provides or has provided any portion of the money or property that is requested or demanded; or (b) will reimburse such contractor ... for any portion of the money or property which is requested or demanded." (Section 1-606(2).)

- "Knowing" and "knowingly." - Whenever a person, with respect to information, does any of the following: (a) Has actual knowledge of the information; (b) Acts in deliberate ignorance of the truth or falsity of the information; and/or (c) Acts in reckless disregard of the truth or falsity of the information. (Section 1-606(4).) Proof of specific intent to defraud is not required. (Section 1-606(4).)

- "Material" means having a natural tendency to influence, or be capable of influencing, the payment or receipt of money or property. (Section 1-606(4).)

- Liability. - "Any person who commits any of the following acts shall be liable to the State for three times the amount of damages that the State sustains because of the act of that person: [1] ... (1) Knowingly presents or causes to be presented a false or fraudulent claim for payment or approval, (2) Knowingly makes, uses, or causes to be made or used, a false record or statement material to a false or fraudulent claim, (3) Conspires to commit a violation of subdivision (1), (2) ..." (Section 1-607(a)(1), (2).)

- The NCTCA shall be interpreted and construed so as to be consistent with the federal False Claims Act, 31 U.S.C. § 3729, et seq., and any subsequent amendments to that act. (Section 1-616(c).)

Finally, the contracting state agency, institution, university, or community college may refer any suspected violation of the NCTCA by the Contractor to the Attorney General's Office for investigation. Under Section 1-608(a), the Attorney General is responsible for investigating any violation of NCTCA, and may bring a civil action against the Contractor under the NCTCA. The Attorney General's investigation and any civil action relating thereto are independent and not subject to any dispute resolution provision set forth in this Contract. (See Section 1-608(a).)

ARTICLE 54 - TERMINATION FOR CONVENIENCE:

a. Owner may at any time and for any reason terminate CM's services and work at Owner's convenience. Upon receipt of such notice, CM shall, unless the notice directs otherwise,
immediately discontinue the work and placing of orders for materials, facilities and supplies in connection with the performance of this Agreement.

b. Upon such termination, CM shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this Agreement; plus, (2) such other costs actually incurred by CM as are permitted by the prime contract and approved by Owner; (3) plus ten percent (10%) of the cost of the work referred to in subparagraph (1) above for overhead and profit. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to CM prior to the date of the termination of this Agreement. CM shall not be entitled to any claim or claim of lien against Owner for any additional compensation or damages in the event of such termination and payment.
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FORM OF PROPOSAL

(Project)  
(Institution)  
(SCO-ID #)  

Contract: ____________________________
Bidder: ____________________________
Date: ____________________________

The undersigned, as bidder, hereby declares that the only person or persons interested in this proposal as principal or principals is or are named herein and that no other person than herein mentioned has any interest in this proposal or in the contract to be entered into; that this proposal is made without connection with any other person, company or parties making a bid or proposal; and that it is in all respects fair and in good faith without collusion or fraud. The bidder further declares that he has examined the site of the work and the contract documents relative thereto, and has read all special provisions furnished prior to the opening of bids; that he has satisfied himself relative to the work to be performed.

The Bidder proposes and agrees if this proposal is accepted to contract with the

(Trustees of Community College) or (State of North Carolina through the (Agency, Department or Institution))

in the form of contract specified below, to furnish all necessary materials, equipment, machinery, tools, apparatus, means of transportation and labor necessary to complete the construction of

(Title or Brief Description of Work Scope)

in full in complete accordance with the plans, specifications and contract documents, to the full and entire satisfaction of the State of North Carolina, and the

(Agency, Department or Institution and Designer)

with a definite understanding that no money will be allowed for extra work except as set forth in the General Conditions and the contract documents, for the sum of:

SINGLE PRIME CONTRACT:

Base Bid: ___________________________________________ Dollars($)__________

General Subcontractor: ____________________________ Lic__________

Plumbing Subcontractor: ____________________________ Lic__________

Mechanical Subcontractor: ____________________________ Lic__________

Electrical Subcontractor: ____________________________ Lic__________

GS143-128(d) requires all single prime bidders to identify their subcontractors for the above subdivisions of work. A contractor whose bid is accepted shall not substitute any person as subcontractor in the place of the subcontractor listed in the original bid, except (i) if the listed subcontractor’s bid is later determined by the contractor to be non-responsible or non-responsive or the listed subcontractor refuses to enter into a contract for the complete performance of the bid work, or (ii) with the approval of the awarding authority for good cause shown by the contractor.
SEPARATE PRIME CONTRACTS:  (For Separate or Dual Bidding only)

GENERAL CONSTRUCTION CONTRACT:
Base Bid:  

Dollars($)

PLUMBING CONTRACT:
Base Bid:  

Dollars($)

HEATING, VENTILATION AND AIR CONDITIONING CONTRACT:
Base Bid:  

Dollars($)

ELECTRICAL CONTRACT:
Base Bid:  

Dollars($)

Under separate prime contracts, the Contractor shall act as project expeditor for all prime contracts. See Supplementary General Conditions.

ALTERNATES:
Should any of the alternates as described in the contract documents be accepted, the amount written below shall be the amount to be "added to" or "deducted from" the base bid. (Strike out "Add" or "Deduct" as appropriate.)

(Note to designer: Additive alternates are preferred and are more cost advantageous to the Owner)

GENERAL CONTRACT:
Alternate No. G-1  (Brief Description)
(Add) (Deduct)  

Dollars($)

PLUMBING CONTRACT:
Alternate No. P-1  (Brief Description)
(Add) (Deduct)  

Dollars($)

HVAC CONTRACT:
Alternate No. H-1  (Brief Description)
(Add) (Deduct)  

Dollars($)

ELECTRICAL CONTRACT:
Alternate No. E-1  (Brief Description)
(Add) (Deduct)  

Dollars ($)
UNIT PRICES

Unit prices quoted and accepted shall apply throughout the life of the contract, except as otherwise specifically noted. Unit prices shall be applied, as appropriate, to compute the total value of changes in the base bid quantity of the work all in accordance with the contract documents.

GENERAL CONTRACT:

No. 1  (Brief Description)  (Unit)  Unit Price ($)  

PLUMBING CONTRACT:

No. 1  (Brief Description)  (Unit)  Unit Price ($)  

HVAC CONTRACT:

No. 1  (Brief Description)  (Unit)  Unit Price ($)  

ELECTRICAL CONTRACT:

No. 1  (Brief Description)  (Unit)  Unit Price ($)  

The bidder further proposes and agrees hereby to commence work under this contract on a date to be specified in a written order of the designer and shall fully complete all work thereunder within the time specified in the Supplementary General Conditions Article 23. Applicable liquidated damages amount is also stated in the Supplementary General Conditions Article 23.

MINORITY BUSINESS PARTICIPATION REQUIREMENTS

Provide with the bid - Under GS 143-128.2(c) the undersigned bidder shall identify on its bid (Identification of Minority Business Participation Form) the minority businesses that it will use on the project with the total dollar value of the bids that will be performed by the minority businesses. Also list the good faith efforts (Affidavit A) made to solicit minority participation in the bid effort.

NOTE: A contractor that performs all of the work with its own workforce may submit an Affidavit (B) to that effect in lieu of Affidavit (A) required above. The MB Participation Form must still be submitted even if there is zero participation.

After the bid opening - The Owner will consider all bids and alternates and determine the lowest responsible, responsive bidder. Upon notification of being the apparent low bidder, the bidder shall then file within 72 hours of the notification of being the apparent lowest bidder, the following:

An Affidavit (C) that includes a description of the portion of work to be executed by minority businesses, expressed as a percentage of the total contract price, which is equal to or more than the 10% goal established. This affidavit shall give rise to the presumption that the bidder has made the required good faith effort and Affidavit D is not necessary;

* OR *

If less than the 10% goal, Affidavit (D) of its good faith effort to meet the goal shall be provided. The document must include evidence of all good faith efforts that were implemented, including any advertisements, solicitations and other specific actions demonstrating recruitment and selection of minority businesses for participation in the contract.

Note: Bidders must always submit with their bid the Identification of Minority Business Participation Form listing all MB contractors, vendors and suppliers that will be used. If there is no MB participation, then enter none or zero on the form. Affidavit A or Affidavit B, as applicable, also must be submitted with the bid. Failure to file a required affidavit or documentation with the bid or after being notified apparent low bidder is grounds for rejection of the bid.
Proposal Signature Page

The undersigned further agrees that in the case of failure on his part to execute the said contract and the bonds within ten (10) consecutive calendar days after being given written notice of the award of contract, the certified check, cash or bid bond accompanying this bid shall be paid into the funds of the owner's account set aside for the project, as liquidated damages for such failure; otherwise the certified check, cash or bid bond accompanying this proposal shall be returned to the undersigned.

Respectfully submitted this day of ________________________________

________________________________________
(Name of firm or corporation making bid)

WITNESS:

______________________________
(Proprietorship or Partnership)

By: ______________________________
Signature

Name: __________________________
Print or type

Title: ____________________________
(Owner/Partner/Pres./V.Pres.)

Address __________________________

ATTEST:

By: ______________________________

License No. ______________________

Title: ____________________________
(Corp. Sec. or Asst. Sec. only)

Federal I.D. No. __________________

Email Address: ____________________

(CORPORATE SEAL)

Addendum received and used in computing bid:

Addendum No. 1 _____ Addendum No. 3 _____ Addendum No. 5 _____ Addendum No. 6 _____
Addendum No. 2 _____ Addendum No. 4 _____ Addendum No. 6 _____ Addendum No. 7 _____
FORM OF CONSTRUCTION CONTRACT

(ALL PRIME CONTRACTS)

THIS AGREEMENT, made the __________ day of __________ in the year of 20__, by and between __________________________

hereinafter called the Party of the First Part and the *State of North Carolina, through
the_____________________________ hereinafter called

the Party of the Second Part.

WITNESSETH:

That the Party of the First Part and the Party of the Second Part for the consideration herein named agree as follows:

1. Scope of Work: The Party of the First Part shall furnish and deliver all of the materials, and perform all of the work in the manner and form as provided by the following enumerated plans, specifications and documents, which are attached hereto and made a part thereof as if fully contained herein: advertisement; Instructions to Bidders; General Conditions; Supplementary General Conditions; specifications; accepted proposal; contract; performance bond; payment bond; power of attorney; workmen's compensation; public liability; property damage and builder's risk insurance certificates; approval of attorney general; certificate by the Office of State Budget and Management, and drawings, titled:

________________________________________________________________________

________________________________________________________________________

Consisting of the following sheets:

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

________________________________________________________________________

Dated: _________________ and the following addenda:

Addendum No. _____ Dated: ______________ Addendum No. _____ Dated: ______________

Addendum No. _____ Dated: ______________ Addendum No. _____ Dated: ______________

Addendum No. _____ Dated: ______________ Addendum No. _____ Dated: ______________

Addendum No. _____ Dated: ______________ Addendum No. _____ Dated: ______________

Addendum No. _____ Dated: ______________ Addendum No. _____ Dated: ______________

2. That the Party of the First Part shall commence work to be performed under this agreement on a date to be specified in a written order of the Party of the Second Part and shall fully complete all work hereunder within ____________ consecutive calendar days
from said date. For each day in excess thereof, liquidated damages shall be as stated in Supplementary General Conditions. The Party of the First Part, as one of the considerations for the awarding of this contract, shall furnish to the Party of the Second Part a construction schedule setting forth planned progress of the project broken down by the various divisions or part of the work and by calendar days as outlined in Article 14 of the General Conditions of the Contract.

3. The Party of the Second Part hereby agrees to pay to the Party of the First Part for the faithful performance of this agreement, subject to additions and deductions as provided in the specifications or proposal, in lawful money of the United States as follows:

   ________________________________________________________________

   ________________________________________________________________ ($_________).

Summary of Contract Award:

4. In accordance with Article 31 and Article 32 of the General Conditions of the Contract, the Party of the Second Part shall review, and if approved, process the Party of the First Party's pay request within 30 days upon receipt from the Designer. The Party of the Second Part, after reviewing and approving said pay request, shall make payments to the Party of the First Part on the basis of a duly certified and approved estimate of work performed during the preceding calendar month by the First Party, less five percent (5%) of the amount of such estimate which is to be retained by the Second Party until all work has been performed strictly in accordance with this agreement and until such work has been accepted by the Second Party. The Second Party may elect to waive retainage requirements after 50 percent of the work has been satisfactorily completed on schedule as referred to in Article 31 of the General Conditions.

5. Upon submission by the First Party of evidence satisfactory to the Second Party that all payrolls, material bills and other costs incurred by the First Party in connection with the construction of the work have been paid in full, final payment on account of this agreement shall be made within thirty (30) days after the completion by the First Party of all work covered by this agreement and the acceptance of such work by the Second Party.

6. It is further mutually agreed between the parties hereto that if at any time after the execution of this agreement and the surety bonds hereto attached for its faithful performance, the Second Party shall deem the surety or sureties upon such bonds to be unsatisfactory, or if, for any reason, such bonds cease to be adequate to cover the performance of the work, the First Party shall, at its expense, within five (5) days after the receipt of notice from the Second Party so to do, furnish an additional bond or bonds in such form and amount, and with such surety or sureties as shall be satisfactory to the Second Party. In such event no further payment to the First Party shall be deemed to be due under this agreement until such new or additional security for the faithful performance of the work shall be furnished in manner and form satisfactory to the Second Party.
IN WITNESS WHEREOF, the Parties hereto have executed this agreement on the day and date first above written in ___________ counterparts, each of which shall without proof or accounting for other counterparts, be deemed an original contract.

Witness: ___________________________ Contractor: (Trade or Corporate Name)

______________________________ By: ________________________________
(Proprietorship or Partnership) Title: ________________________________

(Owner, Partner, or Corp. Pres. or Vice Pres. only)

Attest: (Corporation)

By: ________________________________

Title: ________________________________

(Corp. Sec. or Asst. Sec. only) The State of North Carolina through*

(CORPORATE SEAL) ________________________________

(Agency, Department or Institution)

Witness:

___________________________ By: ________________________________

Title: ________________________________
FORM OF PERFORMANCE BOND

Date of Contract: ________________________________________________

Date of Execution: ______________________________________________

Name of Principal
(Contractor) __________________________________________________

Name of Surety: _________________________________________________

Name of Contracting
Body: ___________________________________________________________

Amount of Bond: ________________________________________________

Project

KNOW ALL MEN BY THESE PRESENTS, that we, the principal and surety above named, are held and firmly bound unto the above named contracting body, hereinafter called the contracting body, in the penal sum of the amount stated above for the payment of which sum well and truly to be made, we bind, ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the contracting body, identified as shown above and hereto attached:

NOW, THEREFORE, if the principal shall well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of said contract during the original term of said contract and any extensions thereof that may be granted by the contracting body, with or without notice to the surety, and during the life of any guaranty required under the contract, and shall also well and truly perform and fulfill all the undertakings, covenants, terms, conditions and agreements of any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then, this obligation to be void; otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

Executed in _______________ counterparts.
Witness: ____________________________

Contractor: (Trade or Corporate Name)

__________________________  By: ______________________
(Proprietorship or Partnership)

Attest: (Corporation)  Title: ______________________
(Owner, Partner, or Corp. Pres. or Vice Pres. only)

By: ______________________

Title: ______________________
(Corp. Sec. or Asst. Sec. only)

(Corporate Seal)

__________________________  (Surety Company)

Witness: ______________________

By: ______________________

__________________________  Title: ______________________
(Attorney in Fact)

Countersigned:

__________________________
(Surety Corporate Seal)

__________________________
(N.C. Licensed Resident Agent)

__________________________

Name and Address—Surety Agency

__________________________

Surety Company Name and N.C.
Regional or Branch Office Address
FORM OF PAYMENT BOND

Date of Contract:  

Date of Execution:  
Name of Principal (Contractor)  

Name of Surety:  

Name of Contracting Body:  

Amount of Bond:  

Project  

KNOW ALL MEN BY THESE PRESENTS, that we, the principal and surety above named, are held and firmly bound unto the above named contracting body, hereinafter called the contracting body, in the penal sum of the amount stated above for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal entered into a certain contract with the contracting body identified as shown above and hereto attached:

NOW, THEREFORE, if the principal shall promptly make payment to all persons supplying labor/material in the prosecution of the work provided for in said contract, and any and all duly authorized modifications of said contract that may hereafter be made, notice of which modifications to the surety being hereby waived, then this obligation to be void; otherwise to remain in full force and virtue.

IN WITNESS WHEREOF, the above-bounden parties have executed this instrument under their several seals on the date indicated above, the name and corporate seal of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to authority of its governing body.

Executed in ______________________ counterparts.
Witness: ____________________________________________
Contractor: (Trade or Corporate Name)
By: ______________________________
(Proprietorship or Partnership)
Attest: (Corporation) Title: __________________________ (Owner, Partner, or Corp. Pres. or Vice Pres. only)
By: ______________________________
Title: ____________________________
(Corp. Sec. or Asst. Sec. only)
(Corporate Seal)

____________________________________
(Surety Company)
Witness: By: ______________________________
________________________________________ Title: __________________________ (Attorney in Fact)

Countersigned:

____________________________________
(Surety Corporate Seal)

(N.C. Licensed Resident Agent)

________________________
Name and Address-Surety Agency

________________________
Surety Company Name and N.C. Regional or Branch Office Address
Sheet for Attaching Power of Attorney
Sheet for Attaching Insurance Certificates

Many insurance certificates have cancellation notification provisions that conflict with our requirements in the contract General Conditions Article 34. To resolve this conflict in a way acceptable to DOI and SCO, the following wording should be added on the certificate in the block labeled “Description of operations, Vehicles, Exclusions added by endorsements/Special Provisions:”

“Not withstanding the preprinted cancellation provisions on this form, coverages afforded under the policies will not be cancelled, reduced in amount nor will any coverages be eliminated until at least thirty (30) days after mailing written notice, by certified mail, return receipt requested, to the insured and the owner, of such alteration or cancellation.”
APPROVAL OF THE ATTORNEY GENERAL
CERTIFICATION BY THE OFFICE OF STATE
BUDGET AND MANAGEMENT

Provision for the payment of money to fall due and payable by the

______________________________________________________________

under this agreement has been provided for by allocation made and is
available for the purpose of carrying out this agreement.

This ___________ day of ____________________ 20__.

Signed ____________________________________________

__________________________________________
Budget Officer
14
Identification of HUB Certified/ Minority Business Participation

1. ____________________________________________________________ (Name of Bidder)

   do hereby certify that on this project, we will use the following HUB Certified/ minority business as
   construction subcontractors, vendors, suppliers or providers of professional services.

<table>
<thead>
<tr>
<th>Firm Name, Address and Phone #</th>
<th>Work Type</th>
<th>*Minority Category</th>
<th>**HUB Certified (Y/N)</th>
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*Minority categories: Black, African American (B), Hispanic (H), Asian American (A) American Indian (I),
Female (F) Socially and Economically Disadvantaged (D)

** HUB Certification with the state HUB Office required to be counted toward state participation goals.

The total value of minority business contracting will be ($)__________________.
State of North Carolina AFFIDAVIT A - Listing of Good Faith Efforts

County of ____________________________

(Name of Bidder)

Affidavit of__________________________

I have made a good faith effort to comply under the following areas checked:

Bidders must earn at least 50 points from the good faith efforts listed for their bid to be considered responsive. (1 NC Administrative Code 30 I.0101)

☐ 1 – (10 pts) Contacted minority businesses that reasonably could have been expected to submit a quote and that were known to the contractor, or available on State or local government maintained lists, at least 10 days before the bid date and notified them of the nature and scope of the work to be performed.

☐ 2 – (10 pts) Made the construction plans, specifications and requirements available for review by prospective minority businesses, or providing these documents to them at least 10 days before the bids are due.

☐ 3 – (15 pts) Broken down or combined elements of work into economically feasible units to facilitate minority participation.

☐ 4 – (10 pts) Worked with minority trade, community, or contractor organizations identified by the Office of Historically Underutilized Businesses and included in the bid documents that provide assistance in recruitment of minority businesses.

☐ 5 – (10 pts) Attended prebid meetings scheduled by the public owner.

☐ 6 – (20 pts) Provided assistance in getting required bonding or insurance or provided alternatives to bonding or insurance for subcontractors.

☐ 7 – (15 pts) Negotiated in good faith with interested minority businesses and did not reject them as unqualified without sound reasons based on their capabilities. Any rejection of a minority business based on lack of qualification should have the reasons documented in writing.

☐ 8 – (25 pts) Provided assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisted minority businesses in obtaining the same unit pricing with the bidder's suppliers in order to help minority businesses in establishing credit.

☐ 9 – (20 pts) Negotiated joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible.

☐ 10 - (20 pts) Provided quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands.

The undersigned, if apparent low bidder, will enter into a formal agreement with the firms listed in the Identification of Minority Business Participation schedule conditional upon scope of contract to be executed with the Owner. Substitution of contractors must be in accordance with GS143-128.2(d) Failure to abide by this statutory provision will constitute a breach of the contract.

The undersigned hereby certifies that he or she has read the terms of the minority business commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: ______________ Name of Authorized Officer: ______________________________________

Signature: _______________________________________________________________________

Title: __________________________________________________________________________

State of_________________, County of________________________________________

Subscribed and sworn to before me this _____ day of _______ 20____

Notary Public __________________________

My commission expires __________________________

MBForms 2002-Revised July 2010
State of North Carolina --AFFIDAVIT B-- Intent to Perform Contract with Own Workforce.

County of __________________________

Affidavit of ________________________________________________________________

(Name of Bidder)

I hereby certify that it is our intent to perform 100% of the work required for the ____________________________

________________________________________________________contract.

(Name of Project)

In making this certification, the Bidder states that the Bidder does not customarily subcontract elements of this type project, and normally performs and has the capability to perform and will perform all elements of the work on this project with his/her own current work forces; and

The Bidder agrees to provide any additional information or documentation requested by the owner in support of the above statement. The Bidder agrees to make a Good Faith Effort to utilize minority suppliers where possible.

The undersigned hereby certifies that he or she has read this certification and is authorized to bind the Bidder to the commitments herein contained.

Date: __________ Name of Authorized Officer: __________________________________________________

Signature: __________________________________________________

Title: __________________________________________________

STATE OF _______________________, COUNTY OF _______________________

Subscribed and sworn to before me this __________ day of _______ 20___

Notary Public  ________________________________

My commission expires _____________________
State of North Carolina - AFFIDAVIT C - Portion of the Work to be Performed by HUB Certified/Minority Businesses
County of ______________________

(Note this form is to be submitted only by the apparent lowest responsible, responsive bidder.)

If the portion of the work to be executed by HUB certified/minority businesses as defined in GS143-128.2(g) and 128.4(a),(b),(e) is equal to or greater than 10% of the bidders total contract price, then the bidder must complete this affidavit. This affidavit shall be provided by the apparent lowest responsible, responsive bidder within **72 hours** after notification of being low bidder.

Affidavit of __________________________________________ I do hereby certify that on the

(Name of Bidder)

______________________________

(Project Name)

Project ID# _______________________ Amount of Bid $ ______________________

I will expend a minimum of ______ % of the total dollar amount of the contract with minority business enterprises. Minority businesses will be employed as construction subcontractors, vendors, suppliers or providers of professional services. Such work will be subcontracted to the following firms listed below. Attach additional sheets if required

<table>
<thead>
<tr>
<th>Name and Phone Number</th>
<th>*Minority Category</th>
<th>**HUB Certified Y/N</th>
<th>Work Description</th>
<th>Dollar Value</th>
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*Minority categories: Black, African American (B), Hispanic (H), Asian American (A) American Indian (I), Female (F) Socially and Economically Disadvantaged (D)

** HUB Certification with the state HUB Office required to be counted toward state participation goals.

Pursuant to GS143-128.2(d), the undersigned will enter into a formal agreement with Minority Firms for work listed in this schedule conditional upon execution of a contract with the Owner. Failure to fulfill this commitment may constitute a breach of the contract.

The undersigned hereby certifies that he or she has read the terms of this commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: __________ Name of Authorized Officer: __________________________________________

Signature: __________________________________________ Title: __________________________________________

STATE SEAL

State of __________________, County of __________________ Subscribed and sworn to before me this ______ day of ______ 20____
Notary Public _______________________________
My commission expires__________________

MBForms 2002-Revised July 2010
State of North Carolina AFFIDAVIT D – Good Faith Efforts

County of ____________________
(Note this form is to be submitted only by the apparent lowest responsible, responsive bidder.)

If the goal of 10% participation by HUB Certified/ minority business is not achieved, the Bidder shall provide the following documentation to the Owner of his good faith efforts:

Affidavit of ____________________________________________ I do hereby certify that on the

______________________________________________________ (Name of Bidder)

______________________________________________________ (Project Name)

Project ID#_ Amount of Bid $ ____________________________

I will expend a minimum of ______% of the total dollar amount of the contract with HUB certified/ minority business enterprises. Minority businesses will be employed as construction subcontractors, vendors, suppliers or providers of professional services. Such work will be subcontracted to the following firms listed below. (Attach additional sheets if required)

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*Minority categories: Black, African American (B), Hispanic (H), Asian American (A) American Indian (I), Female (F) Socially and Economically Disadvantaged (D)

** HUB Certification with the state HUB Office required to be counted toward state participation goals.

Examples of documentation that may be required to demonstrate the Bidder’s good faith efforts to meet the goals set forth in these provisions include, but are not necessarily limited to, the following:

A. Copies of solicitations for quotes to at least three (3) minority business firms from the source list provided by the State for each subcontract to be let under this contract (if 3 or more firms are shown on the source list). Each solicitation shall contain a specific description of the work to be subcontracted, location where bid documents can be reviewed, representative of the Prime Bidder to contact, and location, date and time when quotes must be received.

B. Copies of quotes or responses received from each firm responding to the solicitation.

C. A telephone log of follow-up calls to each firm sent a solicitation.

D. For subcontracts where a minority business firm is not considered the lowest responsible sub-bidder, copies of quotes received from all firms submitting quotes for that particular subcontract.

E. Documentation of any contacts or correspondence to minority business, community, or contractor organizations in an attempt to meet the goal.

F. Copy of pre-bid roster

G. Letter documenting efforts to provide assistance in obtaining required bonding or insurance for minority business.

H. Letter detailing reasons for rejection of minority business due to lack of qualification.

I. Letter documenting proposed assistance offered to minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letter of credit, including waiving credit that is ordinarily required.

Failure to provide the documentation as listed in these provisions may result in rejection of the bid and award to the next lowest responsible and responsive bidder.

Pursuant to GS143-128.2(d), the undersigned will enter into a formal agreement with Minority Firms for work listed in this schedule conditional upon execution of a contract with the Owner. Failure to fulfill this commitment may constitute a breach of the contract.

MBForms 2002-Revised May 2010 -1-
The undersigned hereby certifies that he or she has read the terms of this commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: ___________ Name of Authorized Officer: ____________________________________________

Signature: ____________________________________________

Title: ____________________________________________

State of ________________, County of ________________________________

Subscribed and sworn to before me this _____ day of _____________ 20___

Notary Public ______________________

My commission expires ____________
APPENDIX E

MBE DOCUMENTATION FOR CONTRACT PAYMENTS

Prime Contractor/Architect: _______________________________________________________

Address & Phone: ______________________________________________________________

Project Name: _________________________________________________________________

SCO Project ID: ________________________________________________________________

Pay Application #: ___________________  Period: ____________________________

The following is a list of payments made to Minority Business Enterprises on this project for the above-mentioned period.

<table>
<thead>
<tr>
<th>MBE FIRM NAME</th>
<th>* TYPE OF MBE</th>
<th>AMOUNT PAID THIS MONTH (With This Pay App)</th>
<th>TOTAL PAYMENTS TO DATE</th>
<th>TOTAL AMOUNT COMMITTED</th>
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*Minority categories: Black (B), Hispanic (H), Asian American (AA), American Indian (AI), White Female (WF), Socially and Economically Disadvantaged (SED)

Approved/Certified By:

Name ___________________________  Title ___________________________

Date ___________________________  Signature ________________________

SUBMIT WITH EACH PAY REQUEST - FINAL PAYMENT - FINAL REPORT
Identification of HUB Certified/ Minority Business Participation

(Name of Bidder)

do hereby certify that on this project, we will use the following HUB Certified/ minority business as construction subcontractors, vendors, suppliers or providers of professional services.

<table>
<thead>
<tr>
<th>Firm Name, Address and Phone #</th>
<th>Work Type</th>
<th>*Minority Category</th>
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*Minority categories: Black, African American (B), Hispanic (H), Asian American (A) American Indian (I), Female (F) Socially and Economically Disadvantaged (D)

** HUB Certification with the state HUB Office required to be counted toward state participation goals.

The total value of minority business contracting will be ($)______________.
The University of North Carolina - AFFIDAVIT A – Listing of Good Faith Efforts

County of __________________________

Affidavit of __________________________

(Name of Bidder)

I have made a good faith effort to comply under the following areas checked:

Bidders must earn at least 50 points from the good faith efforts listed for their bid to be considered responsive. (1 NC Administrative Code 30 I.0101)

☐ 1 – (10 pts) Contacted minority businesses that reasonably could have been expected to submit a quote and that were known to the contractor, or available on State or local government maintained lists, at least 10 days before the bid date and notified them of the nature and scope of the work to be performed.

☐ 2 – (10 pts) Made the construction plans, specifications and requirements available for review by prospective minority businesses, or providing these documents to them at least 10 days before the bids are due.

☐ 3 – (15 pts) Broken down or combined elements of work into economically feasible units to facilitate minority participation.

☐ 4 – (10 pts) Worked with minority trade, community, or contractor organizations identified by the Office of Historically Underutilized Businesses and included in the bid documents that provide assistance in recruitment of minority businesses.

☐ 5 – (10 pts) Attended prebid meetings scheduled by the public owner.

☐ 6 – (20 pts) Provided assistance in getting required bonding or insurance or provided alternatives to bonding or insurance for subcontractors.

☐ 7 – (15 pts) Negotiated in good faith with interested minority businesses and did not reject them as unqualified without sound reasons based on their capabilities. Any rejection of a minority business based on lack of qualification should have the reasons documented in writing.

☐ 8 – (25 pts) Provided assistance to an otherwise qualified minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letters of credit, including waiving credit that is ordinarily required. Assisted minority businesses in obtaining the same unit pricing with the bidder's suppliers in order to help minority businesses in establishing credit.

☐ 9 – (20 pts) Negotiated joint venture and partnership arrangements with minority businesses in order to increase opportunities for minority business participation on a public construction or repair project when possible.

☐ 10 - (20 pts) Provided quick pay agreements and policies to enable minority contractors and suppliers to meet cash-flow demands.

The undersigned, if apparent low bidder, will enter into a formal agreement with the firms listed in the Identification of Minority Business Participation schedule conditional upon scope of contract to be executed with the Owner. Substitution of contractors must be in accordance with GS143-128.2(d) Failure to abide by this statutory provision will constitute a breach of the contract.

The undersigned hereby certifies that he or she has read the terms of the minority business commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: __________________________ Name of Authorized Officer: __________________________

Signature: __________________________ Title: __________________________

State of __________________________, County of __________________________

Subscribed and sworn to before me this ________ day of __________ 20____

Notary Public __________________________

My commission expires __________________________

MBForms 2002-Revised July 2010
The University of North Carolina --AFFIDAVIT B-- Intent to Perform Contract with Own Workforce.

County of __________________________

Affidavit of __________________________

(Name of Bidder)

I hereby certify that it is our intent to perform 100% of the work required for the __________________________

(Name of Project)

contract.

In making this certification, the Bidder states that the Bidder does not customarily subcontract elements of this type project, and normally performs and has the capability to perform and will perform all elements of the work on this project with his/her own current work forces; and

The Bidder agrees to provide any additional information or documentation requested by the owner in support of the above statement. The Bidder agrees to make a Good Faith Effort to utilize minority suppliers where possible.

The undersigned hereby certifies that he or she has read this certification and is authorized to bind the Bidder to the commitments herein contained.

Date: _______________ Name of Authorized Officer: __________________________

Signature: __________________________

Title: __________________________

State of __________________________, County of __________________________

Subscribed and sworn to before me this ______________ day of ________ 20

Notary Public __________________________

My commission expires __________________________
Do not submit with bid  Do not submit with bid  Do not submit with bid  Do not submit with bid

The University of North Carolina - AFFIDAVIT C - Portion of the Work to be Performed by HUB Certified/Minority Businesses

County of ________________________

(Note this form is to be submitted only by the apparent lowest responsible, responsive bidder.)

If the portion of the work to be executed by HUB certified/minority businesses as defined in GS143-128.2(g) and 128.4(a),(b),(c) is equal to or greater than 10% of the bidders total contract price, then the bidder must complete this affidavit. This affidavit shall be provided by the apparent lowest responsible, responsive bidder within 72 hours after notification of being low bidder.

Affidavit of ____________________________ I do hereby certify that on the ________________________

(Name of Bidder)

Project ID#_________________________ Amount of Bid $__________________________

I will expend a minimum of ____________% of the total dollar amount of the contract with minority business enterprises. Minority businesses will be employed as construction subcontractors, vendors, suppliers or providers of professional services. Such work will be subcontracted to the following firms listed below.

<table>
<thead>
<tr>
<th>Name and Phone Number</th>
<th>*Minority Category</th>
<th>**HUB Certified Y/N</th>
<th>Work Description</th>
<th>Dollar Value</th>
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*Minority categories: Black, African American (B), Hispanic (H), Asian American (A) American Indian (I), Female (F) Socially and Economically Disadvantaged (D)

** HUB Certification with the state HUB Office required to be counted toward state participation goals.

Pursuant to GS143-128.2(d), the undersigned will enter into a formal agreement with Minority Firms for work listed in this schedule conditional upon execution of a contract with the Owner. Failure to fulfill this commitment may constitute a breach of the contract.

The undersigned hereby certifies that he or she has read the terms of this commitment and is authorized to bind the bidder to the commitment herein set forth.

Date: ____________________________ Name of Authorized Officer: ____________________________

Signature: ____________________________ Title: ____________________________

State of ______________, County of _____________

Subscribed and sworn to before me this _________day of ________ 20__________

Notary Public ____________________________

My commission expires ____________________

MBForms 2002-Revised July 2010
University of North Carolina AFFIDAVIT D – Good Faith Efforts

County of __________________________
(Note this form is to be submitted only by the apparent lowest responsible, responsive bidder.)

If the goal of 10% participation by HUB Certified/ minority business is not achieved, the Bidder shall provide the following documentation to the Owner of his good faith efforts:

Affidavit of __________________________________________ I do hereby certify that on the

(Name of Bidder)

___________________________________________

(Project Name)

Project ID# ___________________________________ Amount of Bid $ __________

I will expend a minimum of __________ % of the total dollar amount of the contract with HUB certified/ minority business enterprises. Minority businesses will be employed as construction subcontractors, vendors, suppliers or providers of professional services. Such work will be subcontracted to the following firms listed below.

(Attach additional sheets if required)

<table>
<thead>
<tr>
<th>Name and Phone Number</th>
<th>*Minority Category</th>
<th>**HUB Certified Y/N</th>
<th>Work Description</th>
<th>Dollar Value</th>
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*Minority categories: Black, African American (B), Hispanic (H), Asian American (A) American Indian (I), Female (F) Socially and Economically Disadvantaged (D)

** HUB Certification with the state HUB Office required to be counted toward state participation goals.

Examples of documentation that may be required to demonstrate the Bidder's good faith efforts to meet the goals set forth in these provisions include, but are not necessarily limited to, the following:

A. Copies of solicitations for quotes to at least three (3) minority business firms from the source list provided by the State for each subcontract to be let under this contract (if 3 or more firms are shown on the source list). Each solicitation shall contain a specific description of the work to be subcontracted, location where bid documents can be reviewed, representative of the Prime Bidder to contact, and location, date and time when quotes must be received.

B. Copies of quotes or responses received from each firm responding to the solicitation.

C. A telephone log of follow-up calls to each firm sent a solicitation.

D. For subcontracts where a minority business firm is not considered the lowest responsible sub-bidder, copies of quotes received from all firms submitting quotes for that particular subcontract.

E. Documentation of any contacts or correspondence to minority business, community, or contractor organizations in an attempt to meet the goal.

F. Copy of pre-bid roster

G. Letter documenting efforts to provide assistance in obtaining required bonding or insurance for minority business.

H. Letter detailing reasons for rejection of minority business due to lack of qualification.

I. Letter documenting proposed assistance offered to minority business in need of equipment, loan capital, lines of credit, or joint pay agreements to secure loans, supplies, or letter of credit, including waiving credit that is ordinarily required.

Failure to provide the documentation as listed in these provisions may result in rejection of the bid and award to the next lowest responsible and responsive bidder.

Pursuant to GS143-128.2(d), the undersigned will enter into a formal agreement with Minority Firms for work listed in this schedule conditional upon execution of a contract with the Owner. Failure to fulfill this commitment may constitute a breach of the contract.

MB Forms 2002-Rev 7-10
The undersigned hereby certifies that he or she has read the terms of this commitment and is authorized to bind the bidder to the commitment herein set forth.

Date:__________ Name of Authorized Officer:______________________________
Signature:___________________________________________
Title:________________________________________________

State of __________________________, County of __________________________
Subscribed and sworn to before me this __________day of ___________ 20____
Notary Public __________________________
My commission expires ________________
APPENDIX E

MBE DOCUMENTATION FOR CONTRACT PAYMENTS

Prime Contractor/Architect: ________________________________

Address & Phone: _______________________________________

Project Name: _________________________________________

Pay Application #: __________________ Period: _______________

The following is a list of payments to be made to minority business contractors on this project for the above-mentioned period.

<table>
<thead>
<tr>
<th>MBE FIRM NAME</th>
<th>* INDICATE TYPE OF MBE</th>
<th>AMOUNT PAID THIS MONTH</th>
<th>TOTAL PAYMENTS TO DATE</th>
<th>TOTAL AMOUNT COMMITTED</th>
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*Minority categories: Black, African American (B), Hispanic (H), Asian American (A) American Indian (I), Female (F) Socially and Economically Disadvantaged (D)

Date: __________________ Approved/Certified By: __________________

Name

________________________
Title

________________________
Signature

Signature certifies that any minority firms not previously verified in the bid/award process have been appropriately verified, services have been rendered, and payment is due as processed.

**THIS DOCUMENT MUST BE SUBMITTED WITH EACH PAY REQUEST & FINAL PAYMENT**

MB Forms 2002-Rev 7-10
UNC HUB Certification
(Form to be Submitted by Institution with Award Request Letter)

Institution

Project Name

Minority Participation – Total and by Category (%)

Minority categories: Black/African-American (B), Hispanic (H), Asian-American (A),
American Indian (I), Caucasian Female (F), Socially and Economically Disadvantaged (D),
Total (T)

Please check the boxes that apply and provide a copy of the affidavit(s).

☐ Affidavit A The apparent low bidder has provided Affidavit A (Listing of the Good
Faith Effort).

☐ Affidavit B The apparent low bidder has provided Affidavit B (Intent to Perform
Contract with Own Workforce). Documentation of effort to utilize minority business
suppliers must be provided with Affidavit B.

☐ Affidavit C The apparent low bidder has provided Affidavit C (Portion of the Work to
be Performed by Minority Firms).

☐ Affidavit D The apparent low bidder has provided Affidavit D (Good Faith Efforts).
Documentation of Good Faith Effort must be provided with Affidavit D.

Please check the appropriate boxes and complete the portion that applies:

☐ The apparent low bidder has indicated that he/she has performed ______ out of the 10
“Good Faith Efforts” and has provided supporting documentation.

☐ I have reviewed the documentation and concur that sufficient effort has been expended to
award the contract.

☐ The Institution has notified minority businesses that have requested notices from the
public entity in accordance with G.S. 143-128.2

Comments:

Documentation provided by the contractor supporting his/her “Good Faith Effort” must be
submitted with the award request letter.

Date:__________ Signature:________________________________________

Name (Printed):__________________________________________________

Title:__________________________________________________________
STATE OF NORTH CAROLINA
ENERGY SERVICES AGREEMENT
GUARANTEED ENERGY PERFORMANCE

This Energy Services Agreement (the "Agreement" or "ESA") is entered into on ________________, 20__, by and between the ______________________ (the "ISSUER") and ______________________ with offices located at ______________________ (the "ESCO") for the purpose of providing certain energy conservation measures ("ECMs"), consisting of services, systems and facilities designed to reduce energy consumption and costs in buildings owned and operated by the ISSUER which are described herein as the "Premises."

RECITALS

WHEREAS, the ESCO was selected by the ISSUER as a qualified provider to provide certain services that will result in decreased energy consumption and costs for certain of the ISSUER’s existing facilities (the "Premises"). The services may include but are not limited to the following: energy use analyses, the design, delivery and installation of energy conservation measures which consist of systems and devices for the Premises (the "ECMs"), guarantee of energy savings, the training of designated ISSUER’s employees, the maintenance and monitoring of the ECMs as provided herein, the measurement, verification and reporting of energy savings, and, if provided herein, financing of the project; and

WHEREAS, pursuant to the Investment Grade Energy Audit Agreement between the Parties dated ________________ (the "Energy Audit Agreement"), the ESCO conducted an investment grade energy audit (the "Energy Audit") and prepared an energy audit report that contains specific recommendations and documentation concerning the energy conservation measures, systems and services to be provided at the Premises and is incorporated herein by reference (the "Energy Audit Report") which has been approved and accepted by the ISSUER as evidenced by the ISSUER’s Acceptance Certification-Energy Audit Report as set forth in Attachment A; and

WHEREAS, the ISSUER has found that the energy savings resulting from the performance of this Agreement will equal or exceed the total cost of the Agreement; and

WHEREAS, the ESCO has agreed to guarantee a level of monetary savings to be achieved as the result of the professional and other services to be provided under this Agreement; and

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, intending to be legally bound hereby, the ISSUER and the ESCO hereby covenant and agree as follows:

1. TERM

This Agreement shall be effective on the date above first mentioned and continue for [INSERT NUMBER OF YEARS] from the date of the Certification of Final Acceptance (defined below) except as otherwise terminated pursuant to the terms of this Agreement.

2. THE ENERGY CONSERVATION PROJECT

2.1. Project Defined. The ESCO shall design, procure, fabricate and install the ECMs specified in Schedule A and provide training, commissioning, maintenance and monitoring and all other services specified in this Agreement and the Project Documents set forth in Paragraph 2.3 at the Premises described in Schedule B (collectively referred to herein as the "Project"). The design, procurement, fabrication, installation and commissioning of the ECMs specified in Schedule A and any training services described in Schedule M, which are integral to the operation of the ECMs, are referred to as the "Work." The maintenance, monitoring, and savings measurement and verification services detailed in Schedules F, J, K and L and any Post-Acceptance Training
services detailed in Schedule M is not included in the Work and are hereinafter referred to as the “Annual Services”.

2.2. **Energy Audit Report.** Pursuant to the Energy Audit Agreement, the ESCO prepared the Energy Audit Report, which was accepted by the ISSUER and which contains specific recommendations and documentation concerning the energy conservation measures, systems and services to be provided at the Premises. The Project Documents referenced in Paragraph 2.3 shall govern in the event of any inconsistencies between the Energy Audit Report and the provisions of this Agreement.

2.3. **Project Documents.** The Project Documents include this Agreement, the Energy Audit Report, Submittals that are approved by the Issuer in writing, and the Certificates of Insurance and Bonds required by this Agreement. The Project Documents also include the following Schedules which are incorporated herein and made a part of this ESA when approved by the ISSUER and ESCO:

| Schedule A | ECMs to be installed by the ESCO |
| Schedule B | Description of Premises; Pre-Existing Equipment Inventory |
| Schedule C | Energy Saving Guarantee |
| Schedule D | Compensation to the ESCO |
| Schedule E | Baseline Energy Consumption |
| Schedule F | Savings Measurement & Verification Calculation Formulas; Methodology to Adjust Baseline |
| Schedule G | Construction and Installation Schedule |
| Schedule H | Systems Start-Up and Commissioning; Operating Parameters of Installed Equipment |
| Schedule I | Standards of Comfort |
| Schedule J | ESCO’s Maintenance Responsibilities |
| Schedule K | Issuer’s Maintenance Responsibilities |
| Schedule L | Facility Maintenance Checklist |
| Schedule M | ESCO’s Training Responsibilities |
| Schedule N | Installment Payment Schedule |
| Schedule O | Proposed Final Project Cost & Proposed Final Project Cash Flow Analysis (See Attachment B at the end of this Agreement) |
| Schedule P | Current and Known Future Capital Projects at the Premises; Methodology to Adjust Baseline for Changes in Building Use or Operating Hours |
| Schedule Q | Insurance and Bonds |
| Schedule R | Warranties (including Equipment) |
| Schedule S | [FINANCING AGREEMENT] (Optional) |

- Attachment A Form of Certificate of Beneficial Use and Acceptance
- Attachment B Form of Certificate of Project Acceptance
- Attachment C Form of ECM Acceptance

2.4. **Review of Project Documents; Notification to the ISSUER; Corrections.** The ESCO shall review all Project Documents, including all addenda, whether prepared by the ESCO, its subcontractors or furnished by the ISSUER, for errors, inconsistencies or omissions relative to the performance of the Project. Upon completion of its review of the Project Documents, and prior to commencing the Project, the ESCO shall provide written notice to the ISSUER that (i) there are no inconsistencies in the Project Documents pertaining to the performance of the Project at the Premises or conflicts with existing conditions on the Project; or (ii) specifying the nature of any conflicts or inconsistencies noted from the ESCO’s review of the Project Documents. The ESCO shall notify the ISSUE of any error, inconsistency or omission that the ESCO discovers in the Project Document before the ESCO commences the Project. In the event that the ESCO fails to...
properly prepare or review Project Documents or commences the Project without providing notice to the ISSUER of any error or inconsistency that it discovers in the Project Documents, the ESCO shall, upon written direction from the ISSUER, remove the deficient work and re-install the ECM pursuant to the Project Documents at no additional cost to the ISSUER.

3. THE ISSUER'S RIGHTS AND RESPONSIBILITIES:

3.1. Project Administration. The ISSUER's personnel designated in paragraph 10.14 shall be the principal point of contact between the ISSUER and the ESCO related to the performance of this Agreement. The Issuer will attend project meetings at the ESCO's request following reasonable notice by the ESCO and accommodation by the ESCO of the schedules of the Issuer's staff.

3.2. Approval of Submittals. The Issuer will ensure that the design and installation of the ECMs is consistent with the ECMs contemplated in the ESCO's Energy Audit. At the request of the ISSUER, and where appropriate or required, the ESCO shall provide on-site "mock-ups" and demonstrations of the ECMs that are proposed to be installed at the Premises which shall also be construed as Submittals pursuant to this Agreement. The ISSUER may also request additional materials, documents, or information.

No later than _________(____ ) business days after receipt by the ISSUER of any Submittal, the ISSUER shall review the Submittal for approval, which approval shall not be unreasonably withheld or delayed. If the ISSUER does not approve a Submittal, the ISSUER shall provide to the ESCO a written explanation as to the reason(s) for disapproval. No later than ten (10) business days following the receipt of the ISSUER's written disapproval, the ESCO shall submit a revised Submittal to the ISSUER for the ISSUER's review. The ESCO shall be responsible for any delays caused by rejection of incomplete or disapproved Submittals. The ESCO may not commence any of the Project without written approval by the ISSUER.

The ESCO's responsibility for errors, omissions, deviation from existing conditions, or deviation from the Project Documents in submittals is not relieved by the ISSUER'S review and approval thereof.

3.3. Right to Reject or Stop the Project. The ISSUER may reject any sequences or procedures proposed by the ESCO in connection with the Project which might constitute or create a hazard to the Premises, or to persons or property, or which deviate from the Project Documents or will result in schedule delays or additional costs to the ISSUER. This provision shall not be construed to mean that any portion of the Project which is not rejected is therefore approved. If the ESCO fails to correct defective Work or fails to supply labor, materials or equipment in accordance with the Project Documents or to execute the Project in a workmanlike manner, the ISSUER may order the ESCO to stop work on the Project, or any portion thereof, until the cause for such order has been eliminated.

3.4. Inspections. All materials and equipment and each part of the detail of the Project shall be subject at all times to inspection by the ISSUER or its designated representatives or consultants, and the ESCO will be held strictly to the true intent of this Agreement and the Project Documents with regard to quality of materials, workmanship, and the diligent execution of the Project.

i. The ESCO shall allow the ISSUER access to all parts of the Project, and shall furnish such information and assistance as is required to make a complete and detailed inspection or inspections. All material and equipment installed as part of the Project must be inspected, tested and approved in accordance with the Project Documents and this Agreement prior to its use.

ii. If the ISSUER's inspection reveals Work that is faulty, defective, or does not conform to the Project Documents, the ISSUER must provide a written notice to the ISSUER describing such
faulty, defective or nonconforming Work. The ESCO must correct the Work pursuant to Paragraph 4.12 below.

iii. Upon written request by the ESCO, the ISSUER shall schedule preliminary inspections of the Work as soon as practicable after notification by the ESCO that major ECMs or systems are substantially installed. If such Work is not acceptable to the ISSUER at the time of such preliminary inspections, the ESCO will be provided written notice as to the particular defects to be remedied before the Work will be accepted. The ISSUER will indicate its approval of an ECM by issuing a Certificate of Beneficial Use and Substantial Completion for the applicable ECM, the date of which will commence the warranty period for such ECM as set forth in Schedule R.

3.5. Emergencies. In case of bona fide emergencies as determined by the ISSUER involving public health or public safety or to protect against further loss or damage to the ISSUER’s property or to prevent or minimize serious disruption of ISSUER services or to insure the integrity of ISSUER’s records, the ISSUER may take appropriate action to prevent or minimize loss or damage to the Premises without prior notice to the ESCO or its surety.

3.6. Drawings, Specifications and Surveys. The ISSUER shall provide the ESCO with any existing surveys in the ISSUER’s possession that describe the physical characteristics, legal limitations and utility locations for the Premises. All such information furnished by the ISSUER is furnished without any representation as to the accuracy of such information. The ISSUER will make available to the ESCO any working drawings, specifications, surveys and “As-Built” drawings concerning the Premises that are in the possession of the ISSUER and which relate to work being performed on the Premises by other companies, if any. All such information furnished by the ISSUER is furnished without any representation as to the accuracy of such information. All drawings, specifications, surveys and copies thereof furnished by the ISSUER are and shall remain ISSUER’s property.

3.7. Ownership, Dissemination and Publication of Documents. The drawings, specifications, reports, renderings, models, electronic media and all such other documents to be prepared and furnished by the ESCO pursuant to this Agreement, shall be and remain the property of the ISSUER.

3.8. Interpretation of Agreement. The ISSUER shall have the authority to make a binding determination of questions of fact that arise in relation to the interpretation of this Agreement and the ESCO’s performance hereunder. The ESCO shall proceed diligently with the performance of this Agreement and in accordance with the ISSUER’S decision. Continuation of the Project shall not be construed as a waiver of any other rights accruing to the ESCO.

4. INSTALLATION OF THE ENERGY CONSERVATION MEASURES

4.1. Implementation of the Work. The ESCO shall perform or cause its subcontractors to perform the Work pursuant to this Agreement. Construction and equipment installation shall proceed in accordance with the provisions contained in this Agreement and the Project Installation schedule approved by ISSUER and attached hereto as Schedule G. The ESCO shall monitor the performance of the work for compliance with this Agreement and shall ensure that the Work is accomplished in a workmanlike manner. All services which require the exercise of professional skills or judgment shall be accomplished by professionals qualified and competent in the applicable discipline and licensed as required in the State of North Carolina. All Project Documents which are required to be prepared by the ESCO shall be in accord with all applicable codes, standards and regulations and shall be prepared by qualified personnel. Where required by North Carolina law, Project Documents shall bear the stamp or seal of architects or engineers licensed in the State of North Carolina. The ESCO shall remain responsible for all services performed, whether by the ESCO or its subcontractors or others on its behalf, throughout the term of this Agreement. The ESCO shall supervise and direct the performance of the Work
using its best skill, attention and judgment. The ESCO shall be solely responsible for site safety and for all construction means, methods, techniques, sequences and procedures and for coordinating all portions of the Work under this Agreement.

4.2. ECM Submittal. Within ___ days following the execution of this Agreement, the ESCO shall prepare a document for submission to the Issuer (hereinafter a "Submittal") that contains sufficient detail to allow the ISSUER to complete the review described in paragraph 3.2 above and includes:

i) Date (and for revisions of the Submittal, revision dates);

ii) Project Number and Title;

iii) Stamp or seal of the preparer of the Submittal, and the ESCO’s certification that it has reviewed and approved the Submittal for accuracy and compliance with the provisions of this Agreement; and

iv) With respect to each ECM, drawings, plans, specifications, shop drawings, product data, and where appropriate or reasonably required, product samples.

4.3. ESCO’s Personnel. The ESCO shall furnish a competent and adequate staff as necessary for the proper administration, coordination and supervision of the Work; organize the procurement of all materials and equipment so that they will be available at the time they are needed for the Work; and ensure that an adequate force of skilled workmen are available to complete the Work in accordance with all requirements of this Agreement. The ESCO shall also employ a competent project manager who shall be responsible for the coordination of the Work, and who shall be authorized to commit the ESCO with regard to manpower, schedule, coordination and cooperation. The project manager shall not have less than two years of documented experience in responsible field supervision for projects of comparable size and complexity. The ESCO shall give the ISSUER advance written notice if it intends to remove or replace the project manager. In the event the project manager fails to perform its duties under this Agreement the ESCO shall provide a competent replacement.

4.4. Subcontracting. The ESCO shall have the right to have any of the services to be provided by the ESCO under this Agreement accomplished by subcontractors pursuant to written subcontracts between the ESCO and such subcontractors. The ESCO shall, upon entering into any agreement with a subcontractor, furnish the ISSUER with an executed copy thereof. All subcontracts shall be subject to, consistent with, and in conformance with all applicable State and federal laws, rules, regulations and codes, and shall contain provisions that require all services to be performed in strict accordance with the requirements of this Agreement and shall provide that the subcontractors are subject to all the terms of this Agreement. Provided that such agreements do not prejudice any of the ISSUER’s rights under this Agreement, such agreements may contain different provisions than are provided herein with respect to extensions of schedule, time of completion, payments, guarantees and matters not affecting the quality of the Work.

4.5. Permits and Approvals. The ESCO shall obtain and pay for all necessary permits and approvals for the design, installation and operation of the ECMs. The ISSUER shall exercise its best efforts to assist the ESCO in securing applicable permits and approvals. The ECMs and the operation of the ECMs by the ESCO shall at all times conform to all applicable laws, regulations, and codes. The ESCO shall furnish copies of each permit or license which is required to perform the Work to the ISSUER before the ESCO commences the portion of the Work requiring such permit or license. If the ESCO observes that any of the Project Documents are at variance with permits or licenses granted, or laws, ordinances, codes, rules or regulations of governmental authorities, the ESCO shall promptly notify the ISSUER in writing and shall make any necessary changes, subject to the approval thereof by the ISSUER in accordance with the terms of this Agreement. If the ESCO performs any Work which is contrary to any permit or license granted,
or any applicable laws, ordinances, codes, rules or regulations, the ESCO shall make changes as required to comply therewith and shall bear all costs arising there from.

4.6. Coordination of the Work. The ESCO shall consult with the personnel designated by the ISSUER in order to coordinate the Work, including installation of any ECM. The ESCO shall not permit any act that will interfere with the performance of the ISSUER's business activities at the Premises without the prior written approval of the ISSUER. The ESCO shall consult with the ISSUER regarding the coordination of the Work with any other work being performed by other Companies at the Premises.

4.7. Changed Conditions. Should the ESCO encounter subsurface or latent physical conditions at the Premises which differ materially from those indicated in the Project Documents or from those ordinarily encountered and generally recognized as inherent in work of the character provided for in this Agreement, the ESCO shall give written notice to the ISSUER before any such condition is disturbed or further disturbed. The ISSUER will promptly investigate and, if it is determined that the conditions materially differ from those which ESCO should reasonably have been expected to discover or anticipate, the ISSUER may approve such changes in the Project Documents as the Issuer deems necessary. If such changed conditions cause an increase or decrease in the ESCO's cost or time of performance, the parties will negotiate a mutually acceptable solution.

4.8. Royalties and Patents. The ESCO shall pay all royalties and license fees due to third parties in connection with the Work.

4.9. Project Meetings. The ESCO shall provide for regularly scheduled project meetings in the Project Installation Schedule, and shall give timely advance written notice and agenda of such meetings to the ISSUER. The ESCO shall record minutes and distribute copies of minutes of meetings to the ISSUER within five (5) business days after each meeting. The ESCO shall schedule additional project meetings if requested by the ISSUER.

4.10. Verification of Dimensions and Existing Conditions. The ESCO is responsible for becoming knowledgeable of the conditions of the Premises relating to the performance of the Work and the conditions under which the Work is to be performed. All dimensions and existing conditions have been verified by the ESCO during the ESCO's performance of the Energy Audit by actual measurement and observation. All discrepancies between the requirements of the Project Documents and the existing conditions or dimensions shall be reported to the ISSUER as soon as they are discovered. Failure to verify and report prior to the commencement of the Work shall constitute the ESCO's acceptance of existing conditions as fit for the proper execution of the Work under this Agreement.

4.11. Insurance. The ESCO shall purchase, maintain and provide evidence of insurance coverage of the types, in the amounts and for the periods specified in Schedule Q. Subsequent to the date of the Certificate of Project Acceptance, the ISSUER shall be responsible for providing insurance coverage on the ECMs.

The ESCO shall not commence performance of the Project until the ESCO obtains insurance that conforms to the standards in Schedule Q and which is approved in writing by the ISSUER. Notwithstanding the foregoing, the failure of the ISSUER to obtain such evidence from the ESCO before permitting the ESCO to commence the Project shall not be deemed to be a waiver by the ISSUER, and the ESCO shall remain under a continuing obligation to obtain and maintain the required insurance coverage and to supply evidence of coverage in accordance with Schedule Q.

The ESCO's failure to obtain or keep such insurance in force shall constitute an Event of Default under this Agreement within the meaning of Section 11 of this Agreement and in addition to the remedies provided therein, the ISSUER reserves the right to stop the Project until evidence of the
requisite coverage is provided. The ESCO shall require all subcontractors performing any portion of the Project to carry the insurance required in Schedule Q, or the ESCO may provide the required coverage for any or all subcontractors. If the ESCO elects to provide the required insurance coverage for any of its subcontractors, the ESCO shall cause the subcontractor to be expressly named in any Certificate of Insurance required to demonstrate compliance with this Agreement. The ESCO and each of its subcontractors agree that each insurer shall waive any rights of subrogation against the ISSUER.

The ESCO shall timely renew the required insurance as necessary to keep such coverage in effect for the periods specified in Schedule Q and shall supply the ISSUER, not less than sixty (60) days prior to any expiration or renewal dates for such insurance policies, with evidence of all required insurance including updated replacement Certificates of Insurance and amendatory riders or endorsements that clearly evidence the continuation of all coverage in the same manner, limits of protection, and scope of coverage, as was provided by the Certificates of Insurance, amendatory riders or endorsements originally supplied. The ISSUER shall be a named additional insured in any policy of insurance required by this Agreement.

The ESCO expressly understands and agrees that any insurance protection furnished by the ESCO hereunder shall in no way limit the ESCO’s responsibility to indemnify and save harmless the ISSUER under the provisions of this Agreement.

4.12. Performance and Labor and Material Payment Bonds. The ESCO shall, prior to commencing the Project, deliver to the ISSUER a Performance Bond and a Labor and Material Payment Bond that conforms to the requirements of N.C. General Statute Chapter 44-A, Article 3.

4.13. Material and Workmanship. The ESCO shall ensure that all materials used by the ESCO and its subcontractors and workmanship performed or caused to be performed by the ESCO in connection with the Work meets or exceeds all applicable codes and is performed in a workmanlike manner. Where conflicts exist between applicable codes, the more stringent provision shall apply;

i. The ESCO shall ensure that all equipment and materials to be used in the Work for which Underwriters Laboratory labeling services is provided shall be UL labeled;

ii. The ESCO shall obey the following list of codes where applicable:

1) Any applicable construction and electrical code;
2) Underwriters Laboratories (UL);
3) Insulated Power Cable Engineers Association (IPCEA);
4) National Electrical Code (NEC);
5) National Electrical Manufacturers Association (NEMA);
6) American National Standards Institute (ANSI); and
7) Institute of Electrical and Electronic Engineers (IEEE).

iii. The ESCO shall be responsible, at its sole cost, for the disposal of all equipment and materials removed or replaced through its performance of the Work in accordance with all applicable laws and regulations regarding such disposal, except those items designated by the ISSUER as nondisposable. The cost of disposal to be performed by the ESCO is included in the ESCO compensation for the Work set forth in Schedule D.

4.14. Correction of the Work. The ESCO shall, if the ISSUER requests, remove or uncover such portions of the finished Work as the ISSUER may direct. After the examination, the ESCO shall restore said portion of the Work to the standard required by this Agreement and the Project Documents. If the Work thus exposed or examined proves acceptable, the expenses of uncovering or removing and the replacing of the parts removed shall be the responsibility of the

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ISSUER and such uncovering, removing and replacing shall be deemed to be an excusable event of delay, if a delay in completion is caused thereby. If the Work so exposed or examined has not been performed in accordance with the Project Documents, the expense of uncovering, removing and replacing any portion of the Work necessary to comply with this Agreement and the Project Documents shall be borne by the ESCO and requests for a time extension or claims for delay will not be granted.

4.15. Responsibility for Materials. The ESCO shall be responsible for the contracted quality and standards of all materials, components or completed Work furnished by the ESCO pursuant to the terms hereof. Materials, components or completed Work which fails to comply with this Agreement and the Project Documents may be rejected by the ISSUER and shall be replaced by the ESCO at no cost to the ISSUER. The ESCO shall remove from the Premises within a reasonable time any materials or components so rejected at the entire expense of the ESCO, after written notice has been delivered by the ISSUER to the ESCO that such materials or components have been rejected. The ISSUER does not assume any responsibility for the availability of any controlled materials or other materials and equipment required for the Work. However, ISSUER reserves the right to review and approve the quality and standards for all materials.

4.16. Hazardous Materials. The ESCO acknowledges that compliance with the National Emission Standard for Hazardous Air Pollutants as promulgated by the United States Environmental Protection Agency pursuant to Section 112 of the Clean Air Act is a continuing obligation requiring any and all demolition or renovation activity completed by or on behalf of the ISSUER to conform to the standards for such activity as set forth in 40 CFR 61.145. The ESCO shall observe all notification procedures established by the United States and North Carolina environmental protection agencies in the execution of the Project. In addition, the ESCO shall comply with any Asbestos Management Plan that has been developed for the Premises.

In the event that the ESCO or any of its subcontractors encounters any hazardous substance or material covered by the Act in the performance of the Work, the existence of which has not previously been disclosed to the ESCO by the ISSUER. The ESCO shall, before disturbing such materials, immediately notify the ISSUER of the location thereof. The ESCO shall advise the ISSUER as to whether it is feasible to re-route the Work as to avoid such materials. If such re-routing is reasonably feasible, the ESCO shall do so without additional compensation hereunder. If such re-routing or avoidance is not reasonably feasible in the judgment of the ISSUER and such material must be disturbed or relocated to complete the Work, and if (i) removal or containment of the hazardous substance or material cannot be effectuated without a cessation of the Work; or (ii) applicable law, rule or regulation requires cessation of the Work, or (iii) continuation of the Work exposes any person to a substantial risk, the ESCO may suspend its performance of the Work without penalty until the substance or material is removed or contained by the ISSUER.

The following options are available to the ISSUER in the event that undisclosed hazardous materials are encountered in the performance of the Work by the ESCO or its subcontractors:

1. If feasible, the ISSUER may direct the ESCO to modify the scope of the Work to eliminate portions of the Work affected by the undisclosed hazardous substance or material.

2. The ISSUER may terminate this Agreement upon payment to the ESCO of the amount due for services or materials and equipment supplied by the ESCO prior to suspension of the Work, including damages caused by the delay as prescribed by the Act. Provided, however, that the ISSUER shall not be liable for damages or other costs or expenses incurred by the ESCO if the existence of the hazardous substance or material was disclosed to the ESCO by the ISSUER or, if as a result of the ESCO’s review of the Project Documents, including any Asbestos
Management Plan developed for the Premises and its investigation of the Premises, the ESCO should reasonably have been expected to discover or anticipate the existence of the hazardous substance or material and the ESCO could have developed the scope of the Work in such a manner as to avoid said hazardous substance or material.

3. The ESCO and the ISSUER agree that any work relating to (i) asbestos, material containing asbestos, or the existence, use, detection, removal, containment or treatment thereof, or (ii) pollutants, hazardous wastes, hazardous materials, contaminants (collectively "Hazardous Materials") or the storage, handling, use, transportation, treatment or the disposal, discharge, leakage, detection removal or containment thereof which is not specifically provided for in this Agreement, is the responsibility of the ISSUER. Notwithstanding the foregoing, the ESCO will utilize due diligence in order to determine whether the Work will require the removal of PCB ballasts and whether asbestos is likely to be encountered in the performance of the Work. ESCO shall provide the ISSUER with an estimate for the cost of removal and disposition of PCB ballasts and asbestos it expects may be encountered in the performance of the Work and shall allow for an amount equal to the estimated cost of removal and disposal in the Guaranteed Savings detailed in Schedule C.

4.17. Systems Startup/Commissioning. The ESCO shall conduct a thorough and systematic performance test of each element and total system of the installed ECMs in accordance with Schedule H. The ESCO shall provide advance written notice of at least ten (10) business days to the ISSUER of the scheduled test(s). The ISSUER shall have the right to designate representatives to be present at any or all such tests including representatives of the manufacturers of the ECMs. The ESCO shall demonstrate that all ECMs installed comply with the requirements of the Project Documents. The ESCO shall test all components and systems of the installed ECMs. The ESCO, or its subcontractor(s), shall correct or adjust all deficiencies in operation of the ECMs.

4.18. Cooperation with the ISSUER’s Consultants. The ISSUER reserves the right to designate authorized representatives or to retain consultants at its expense, including but not limited to a licensed architect or engineer, to act on its behalf with respect to administering the performance required under this Agreement throughout its term. The ISSUER and its representatives and consultants shall at all times have access to the Premises during the ESCO’s implementation of the Project. The ESCO agrees to cooperate with any representative of, or consultant retained by, the ISSUER.

4.19. Miscellaneous. Other rights and responsibilities of the ESCO are set forth throughout this Agreement and in the Project Documents and are included under other titles, articles, sections and headings for convenience. It is the responsibility of the ESCO to familiarize itself with all provisions of this Agreement and the Project Documents in order to understand fully the entirety of its rights and responsibilities hereunder.

5. PAYMENTS TO ESCO

5.1. Compensation. ISSUER will pay ESCO no more than $__________ for the Work in the amounts and in accordance with Schedule D hereto (the “Work Compensation”). The ISSUER will pay ESCO no more than $__________ for the Annual Services in the amounts and in accordance with Schedule D hereto.
5.2. Payments for Work in Progress. The ESCO shall submit invoices for the Work, including back
up documentation, to the ISSUER for the ISSUER’s review and approval on the schedule
provided for the Work in Schedule D. No later than ______ (____) calendar days following the
receipt of any invoice, the ISSUER shall inspect the Work for which the ESCO requests payment
and notify the ESCO in writing of the ISSUER’s approval or disapproval. Any disapproval of the
Work shall be corrected in accordance with paragraph 4.14 above. No later than
____________________ ( ) calendar days from the ISSUER’s approval of the Work addressed in
any invoice, the ISSUER shall pay, or cause to be paid to ESCO, 95% of the total costs of
approved Work. 5% of the total invoice shall be retained by the ISSUER until the issuance of the
Certificate of Project Acceptance pursuant to Paragraph 6.1. The ISSUER may, upon request or
at its discretion, furnish to a Subcontractor, if practicable, information regarding the percentages
of completion of the Work that is the subject of any invoice and the action taken thereon by the
ESCO on account of Work done by such Subcontractor. No payment to the ESCO, nor any
partial or entire use of occupancy or the Premises by the ISSUER shall constitute an acceptance
of any Work that is not completed in accordance with the provisions of this Agreement.

5.3. Final Installation Payment for the Work. No later than ______ ( ) days from the date of the
Certificate of Final Acceptance, the ISSUER shall pay or cause to be paid to ESCO the entire
unpaid balance of the Work Compensation invoiced by the ESCO, less the amount of any sums
which continue to be retained to satisfy the cost of performing any change in the work which is
the subject of any claim or dispute and which has not yet been satisfactorily performed by
ESCO.

5.4. Billing Procedures for the Annual Services. The ESCO shall submit invoices for the Annual
Services, including back up documentation, to the ISSUER for the ISSUER’s review and
approval on the schedule provided for the Annual Services in Schedule D. No later than
_______ (____) calendar days following the receipt of any invoice, the ISSUER shall inspect the
Annual Services for which the ESCO requests payment and notify the ESCO in writing of the
ISSUER’s approval or disapproval. Any disapproval of the Annual Services shall be addressed
in accordance with paragraph 4.14 above. No later than ______________ ( ) calendar
days from the ISSUER’s approval of the Annual Services addressed in any invoice, the ISSUER
shall pay, or cause to be paid to ESCO the costs of approved Annual Services.

6. ACCEPTANCE OF THE WORK

6.1. Final Inspection by the Issuer. The ESCO shall promptly notify the Issuer following the ESCO’s
completion of the Work. Upon notification, the Issuer will inspect the work for compliance with
this Agreement. Any corrective measures shall be made by the ESCO pursuant to Paragraph
4.14. When the Issuer deems the Work complete, the Issuer shall issue a Certificate of Project
Acceptance as set forth in Attachment B.

6.2. Final Submittal. The ESCO shall submit the following documents to the ISSUER with notice
described above:

   i. All Project Documents;
   ii. The ESCO shall submit lien waivers, sworn statements, guarantees, full releases or
       other evidence reasonably satisfactory to the ISSUER that there are no liens, claims
       or stop notices pending, filed or threatened against the ISSUER, the ESCO, the
       Work, the Premises or the ECMs whatsoever.
   iii. Certificates of compliance for all ECMs which require local government inspection;
   iv. Asbestos abatement compliance records, if applicable; and
   v. Any other documentation reasonably required by the ISSUER.

7. OPERATION, MAINTENANCE, AND TRAINING
7.1. ECM Warranties. The ESCO warrants that all ECMs designed, procured, fabricated and installed pursuant to this Agreement are new, in good and proper working condition and are of merchantable quality and fit for the particular purposes of enabling the ISSUER to reduce energy consumption and operating cost. The ESCO further warrants that the ECMs are protected by appropriate written warranties covering all parts and equipment performance for the periods specified in Schedule R and Exhibit III. The ESCO shall deliver to the ISSUER for inspection and approval all such written warranties and shall pursue rights and remedies against the manufacturer and each prior seller of the ECMs under the warranties in the event of equipment malfunction, improper or defective function, or defects in parts, workmanship or performance. The ESCO shall be responsible for managing all warranty activity during the warranty periods set forth in Schedule R and Exhibit III and shall notify the ISSUER whenever defects in equipment, parts or performance occur, which give rise to such rights and remedies and that those rights and remedies are exercised by the ESCO. The cost of any damage, loss or claims by any person arising out of the use or operation of the ECMs or damage to the ECMs and their performance, including damage to other property and equipment of the ISSUER or the Premises, due to the ESCO’s failure to exercise its warranty rights shall be borne solely by the ESCO.

All warranties shall be transferable and extend to the ISSUER. The warranties shall specify that only new, and not reconditioned, parts may be used and installed when repair is necessitated by malfunction. The ESCO also warrants that all workmanship, materials, and equipment used in conjunction with the ECMs are in conformance with the Project Documents and are free from defects for the period, commencing with the date of the Certificate of Beneficial Use and Acceptance for each ECM and continuing for the period set forth in Schedule R and Exhibit III.

7.2. Correction of Warranted Work.

7.2.1. Commencing with the date of the Certificate of Beneficial Use and Acceptance for each ECM and continuing for the warranty periods set forth in Schedule R and Exhibit III for each ECM, or within such longer period of time as may be prescribed by law or by the terms of any applicable special warranty required by the Project Documents, the ESCO shall correct or replace all faulty, defective or nonconforming Work related to any ECM or malfunctioning portions thereof. If the ISSUER has reason to believe that any portion of the Work is faulty, defective, or nonconforming with the Project Documents, the ISSUER shall give the ESCO written notice as soon as practical after the ISSUER’s discovery. Within ___ days of receipt of written notice from the ISSUER to correct such fault or defect, the ESCO shall correct the Work unless the ISSUER has given the ESCO a written waiver of the ESCO’s responsibility for the specific fault or defect. Notice may be given by telephone in the event of an emergency situation. The ESCO shall bear all costs of replacing or correcting such faulty, defective or nonconforming Work.

7.2.2. Nothing contained in this Section shall be construed to establish a period of limitation with respect to any other obligation which the ESCO might have under the Project Documents. The establishment of the time period within which Work must be corrected set forth in Paragraph 7.2.1 above, relates only to the specific obligation of the ESCO to correct the Work and has no relationship to the time within which its obligation to comply with the Project Documents may be sought to be enforced, nor to the time within which proceedings may be commenced to establish the ESCO’s liability with respect to its obligations other than to specifically correct the Work. Notwithstanding the provisions of this Paragraph 7.2.2, the ESCO shall, on written demand made by the ISSUER, at any time within the ten (10) year period following the date of the Certificate of Project Acceptance, promptly repair or replace all defective or non-conforming work resulting from fraudulent misrepresentation,
fraudulent concealment or gross negligence by the ESCO or its subcontractors in the performance of the Work.

7.3. ESCO Maintenance and Monitoring Responsibilities for ECMs. The ESCO shall be responsible for providing the maintenance, monitoring, repairs, and adjustments to the ECMs as set forth in Schedule J. All replacements of and alterations or additions to the ECMs by the ESCO shall become part of the ECMs and shall become the property of the ISSUER. Any replacements, alterations or additions made by the ESCO to the ISSUER’s pre-existing equipment, or equipment acquired by the ISSUER during the term of this Agreement, shall become part of said equipment and be owned by the ISSUER. The ESCO shall be compensated for such maintenance and monitoring services pursuant to Schedule D hereof. In the event of the ESCO’s failure to provide required maintenance, service, repairs and adjustments to the ECMs, as provided in Schedule J or if an Event of Default exists pursuant to Section 11, the ISSUER may withhold fees due to the ESCO for such services until such repairs or adjustments are completed or such Event of Default is cured. The ISSUER shall notify the ESCO in writing when any payments are so withheld. The withholding of fees by the ISSUER under this Paragraph 7.3 shall not release the ESCO from its obligation to provide the Energy Savings Guaranty pursuant to Section 9 and Schedule C hereof.

7.4. ISSUER Operating and Maintenance Responsibilities for ECMs. The ISSUER shall be responsible for providing the maintenance, monitoring, service, repairs and adjustments to the ECMs as set forth in Schedule K. Except as set forth in Schedule K, the ISSUER shall not move, modify, remove, adjust, alter or change in any material way the ECMs, or any part thereof, during the term of this Agreement, without prior written approval of the ESCO, except in the event of an occurrence reasonably deemed by the ISSUER to constitute a bona fide emergency. The ISSUER acknowledges that substantial and long term deviations, from the operating conditions set forth in the Schedules to this Agreement may constitute a Material Change in accordance with Paragraph 10.3 hereof. In addition to the responsibilities set forth in Schedule K, the ISSUER shall use its best efforts to maintain the Premises in good repair and to protect and preserve the ECMs in good repair and condition in accordance with applicable manufacturers’ recommendations which shall be provided to the ISSUER by the ESCO and to maintain the operating conditions of all non ECM mechanical systems and energy related systems located at the Premises. The ESCO shall notify the ISSUER of any improper maintenance or repair as soon as ESCO has notice thereof. The ISSUER acknowledges that if improper repairs or maintenance of the ECMs not seasonably corrected after notice may constitute a Material Change in accordance with paragraph 8.5, and that the provisions of paragraph 9.5 may be applicable.

7.5. Training by the ESCO. The ESCO shall conduct the training program described in Schedule M hereeto.

7.6. ECMs Upgrades; Alterations. The ESCO shall have the right, at all times during the term of this Agreement, subject to the ISSUER’s written approval, to modify or replace any of the ECMs or install additional ECMs and to revise any procedures for the operation of the ECMs or implement other procedures at the Premises provided that:

    i. such actions by the ESCO do not result in modifying the standards of comfort and service set forth in Schedule I without the express written approval of the ISSUER;
    ii. such modifications or additions to, or replacements of the ECMs, and any operational changes, or new procedures are necessary to enable the ESCO to achieve the energy savings guaranteed by the ESCO at the Premises; and
    iii. any costs incurred relative to such modifications, additions or replacements of the ECMs, or operational changes or new procedures shall be the responsibility of the ESCO.
All modifications, additions or replacements of the ECMs or revisions to operating or other procedures shall be described in a supplemental schedule(s) to be provided to the ISSUER for approval, which shall not be unreasonably withheld, and incorporated into this Agreement provided that any replacement ECM shall be new and have equal or better potential to reduce energy consumption at the Premises than the ECM being replaced. The ESCO shall continuously update all ECM software unless the ESCO certifies to the ISSUER that a specific update would lower the energy and cost savings that are realized from that ECM. All replacements of and alterations or additions to the ECMs shall become part of the ECMs described in Schedule A and shall become the property of the ISSUER.

7.7. Malfunction and Emergencies. The ISSUER shall use its best efforts to notify the ESCO or its designee within forty-eight (48) hours after the ISSUER’s actual knowledge of the occurrence of:

i. Any material malfunction in the operation of the ECMs or any related non ECM energy-related equipment or systems;
ii. Any material interruption or alteration of the energy supply to the Premises;
iii. Any material alteration or modification in the ECMs or their operation; and
iv. Any material alteration, modification or change in the Premises or the use of the Premises.

7.8. Responsibility for Certain ECM Malfunctions. The ESCO agrees to compensate the ISSUER for business expenses, damages to real or personal property, lost profits, lost revenues, resulting from ECM malfunction due solely or in part to nonperformance or error by the ESCO.

7.9. Ownership of Certain Proprietary Property Rights. The ISSUER shall acquire no ownership interest in any software, formulas, patterns devices, secret inventions or processes, or copyright, patents, and other intellectual and proprietary rights or similar items of property which are or may become used in connection with the ECMs. The ESCO shall grant, or otherwise lawfully furnish, to the ISSUER a perpetual, irrevocable royalty-free license for any and all software or other intellectual property rights necessary for the ISSUER to continue to operate, maintain, and repair the ECMs in a manner that will maximize energy consumption reductions beyond the expiration of this Agreement for at least twice the useful life of each ECM.

8. THE PREMISES

8.1. Description of the Premises. The Premises in which the ECMs are to be installed and services are to be provided by the ESCO under this Agreement are described in Schedule B.

8.2. Ownership of Existing Property. The Premises and all equipment and materials existing at the Premises at the time of execution of this Agreement shall remain the property of the ISSUER.

8.3. Location and Access. The ISSUER shall provide sufficient space at the Premises for the installation and operation of the ECMs for the term of this Agreement, including access to office space with a telephone line, if necessary to allow the ESCO to perform required maintenance, monitoring and training services. The ISSUER shall provide access to the Premises for the ESCO and its employees or subcontractors to install, adjust, inspect, maintain and repair the ECMs in accordance with the terms of this Agreement during regular business hours, or such other reasonable hours as may be requested by the ESCO and acceptable to the ISSUER. The ESCO’s access to correct any emergency condition shall not be unreasonably restricted by the ISSUER.

8.4. Harm to Structure of the Premises. The ESCO shall perform the Work under this Agreement and install the ECMs in such a manner so as not to harm the structural integrity of the Premises or their operating systems, except as specifically described in the Project Documents which have been approved by the ISSUER. The ESCO shall repair and restore to its condition immediately
preceding the performance of the Work, any area of damage caused by its performance under this Agreement which has not been so described in the Project Documents and approved by the ISSUER.

8.5. **Material Change Defined.** A “Material Change” shall include any change in or to the Premises, not covered by Schedule B, whether structural, operational or otherwise in nature which reasonably could be expected, in the judgment of the ISSUER to increase or decrease annual costs of energy usage. Actions by the ISSUER which constitute a Material Change include are not limited to the following:

   i. Changes in the manner of use of the Premises by the ISSUER; or
   ii. Changes in the hours of operation for the Premises or for any equipment or energy using systems operating at the Premises; or
   iii. Permanent changes in the comfort and service conditions set forth in Schedule I; or
   iv. Changes in the occupancy of the Premises; or
   v. Changes in the structure of the Premises; or
   vi. Changes in the types and quantities of equipment used at the Premises; or
   vii. Modification, renovation or construction at the Premises; or
   viii. ISSUER’s failure to provide maintenance of the ECMs pursuant to Paragraph 9.5 hereof; or
   ix. Any significant damage to the Premises or the ECMs caused by fire, flood, or other casualty or any condemnation affecting a significant portion of the Premises; or
   x. The permanent or temporary closing of a building at the Premises.

8.6. **Reporting of Material Changes; Notice by ISSUER.** The ISSUER shall use its best efforts to deliver to the ESCO a written notice describing all actual or proposed Material Changes in the Premises or in the operations of the Premises no fewer than thirty (30) days before any actual or proposed Material Change is implemented. Where Material Changes result because of a bona fide emergency or other situation which precludes advance notification, the ISSUER shall give notice as soon as reasonably possible after the event constituting the Material Change occurred or was discovered by the ISSUER to have occurred.

8.7. **Reported Material Changes; Adjustments to Baseline/Benchmarks.** Any changes in energy usage which occur as the result of a Material Change shall be timely reviewed by the ESCO and the ISSUER to determine what, if any, adjustments to the Baseline/Benchmarks set forth in Schedule E are necessitated by such Material Change(s). The ESCO and the ISSUER agree that any adjustments made to the Baseline/Benchmarks shall be in accordance with generally accepted engineering principles.

8.8. **Unreported Material Changes.** Upon and after the date of Certification of Final Acceptance and in the absence of any reported Material Change(s) in the Premises or in their operations, if energy savings deviates more than _____(%) percent during any month from projected energy savings for that month, after adjustment for normal deviations from climatic conditions, then the ESCO shall timely review such changes to ascertain the cause of such deviation. The ESCO shall report its findings to the ISSUER in a timely manner. The ESCO and the ISSUER may determine what, if any, adjustments to the Baseline/Benchmarks set forth in Schedule E are necessary.

9. **ENERGY SAVINGS GUARANTY; ANNUAL RECONCILIATION**

9.1. **Interim Energy Savings.** Energy savings achieved on or after the Commencement Date but before the date of the Certificate of Final Acceptance shall be credited to the ISSUER.
9.2. Annual Energy Savings Guaranty. The ESCO shall guarantee energy and operational savings from the Work from the date of the Certification of Final Acceptance and for ______(____) years following such date (the “Energy Savings Guaranty”). The ESCO has formulated and guaranteed the annual level of cost savings as provided for in Schedule C. The ESCO will achieve these savings each year as a result of the performance by ESCO of the services specified in this Agreement utilizing the Methods of Savings Measurement and Verification set forth in Schedule F.

9.3. Annual Review, Reconciliation and Reimbursement. Cost savings achieved at the Premises shall be reported, reconciled and verified pursuant to the provisions of Schedule F. If any annual review, reconciliation and verification of energy savings reveals that the ESCO has failed to achieve the annual guaranteed energy savings and operating cost savings set forth in Schedule C, the ESCO shall pay the ISSUER or the ISSUER’S designee, as may be directed by the ISSUER, the difference between the annual amount guaranteed and the amount of actual annual cost savings achieved at the Premises. The ESCO shall remit such payments to the ISSUER not later than thirty (30) calendar days of written demand therefore by the ISSUER.

9.4. Utility Rebates. Utility rebates secured or obtained due to the installation of the ECMs at the Premises shall belong to the ISSUER.

9.5. Monitoring, Savings Measurement and Verification and any Post-Acceptance Training Fees. Payment to the ESCO for maintenance, monitoring, savings measurement, verification and reporting, and Post-Acceptance Training services performed after the Certificate of Project Acceptance shall be made by the ISSUER pursuant to and in accordance with Schedule D.

10. GENERAL TERMS AND CONDITIONS

10.1. Independent Company Status. The ESCO is an independent Contractor and in providing its services under this Agreement, shall not represent otherwise to any person.

10.2. Compliance with Laws. The ESCO and its subcontractors shall comply with all laws, rules regulations and codes applicable to performance of the Project. Except where expressly required by applicable laws and regulation, the ISSUER shall not be responsible for monitoring the ESCO’s compliance with any laws or regulations. When the ESCO observes conflicting regulatory requirements, it shall notify the ISSUER in writing immediately. If the ESCO performs any of the Project knowing or having reason to know that the work or services required to implement the Project are contrary to such laws, rules and regulations, the ESCO shall pay all costs arising there from.

10.3. Responsibility for Damages. The ESCO shall be responsible for all loss or damage to the Work, the Premises, or to improvements or personal property thereon caused by the ESCO’s or its subcontractors.

10.4. Right to Audit. The ISSUER shall have the right to have access to and audit all of the ESCO’s records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to this Agreement. In addition, the ISSUER or its authorized representative shall have access to the ESCO’s facilities and shall be provided adequate and appropriate work space, in order to conduct audits in compliance with this article.

10.5. Assignment. The ESCO acknowledges that the ISSUER is induced to enter into this Agreement by, among other things, the professional qualifications of the ESCO. The ESCO agrees that neither this Agreement nor any right or obligation hereunder may be assigned in whole or in part, without the prior written approval of the ISSUER.
10.6. **Duty to Indemnify.** The ESCO shall defend, indemnify, keep and save harmless the ISSUER and its agents and employees against all suits, claims, damages, losses and expenses, including attorney's fees, caused by, growing out of, or incidental to, the wrongful or negligent performance under this Agreement by the ESCO or its subcontractors to the full extent as allowed by the laws of the State of North Carolina. The ISSUER shall promptly notify the ESCO of any suits or claims related to this Agreement including the nature of the suit or claim. The ESCO, at its sole expense, shall settle or defend and control the defense of any suit based upon such claim or claims. In the event of any such injury (including death) or loss or damage, or claims therefore, the ESCO shall give prompt notice to the ISSUER. The ESCO shall cause its subcontractors to include a substantially identical indemnity and shall include the ISSUER as a named indemnitee under their subcontractors.

10.6.1. **Effect of Statutory Limitations.** In the event of any claim against the ISSUER or against any of its officials or employees, in either their personal or official capacities, made by any direct or indirect employee or agent of the ESCO or of any subcontractor, the ESCO's indemnification obligation shall not be affected by any limitation on the amount or type of damages, compensation or benefits payable to said employee or agent contained in any other type of employee benefit act.

10.6.2. **Intellectual Property Claims Indemnification.** The ESCO shall protect, defend, indemnify and hold the ISSUER harmless against and from any and all claims, judgments, amounts paid in settlement, costs and expenses, including attorneys' fees relating to alleged patent, trademark or copyright infringement, misappropriation of proprietary rights, or trade secrets or similar claims, resulting from actions taken by the ESCO in connection with this Agreement.

10.7. **Liability; Joint and Several Liability.** The ESCO shall be liable to the ISSUER for any failure and any expense or any expenses resulting from failure to comply with the terms of this Agreement. Any review, approval, acceptance or payment for any and all of the ESCO's performance by the ISSUER shall not relieve the ESCO of its responsibility for the Project. This provision in no way limits the ISSUER'S rights and defenses against the ESCO either under this Agreement or otherwise in law or in equity.

10.8. **Force Majeure.** Neither Party shall be deemed to be in default of its obligations hereunder if and so long as it is prevented from performing such obligations by any act of war, hostile foreign action, nuclear explosion, riot, strikes, civil insurrection, quarantine restrictions, delays of common carriers, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

10.9. **No Waiver.** The failure of ISSUER or the ESCO to insist upon the strict performance of the terms and conditions hereof shall not constitute or be construed as a waiver or relinquishment of either Party's right to thereafter enforce the same in accordance with this Agreement in the event of a continuing or subsequent default on the part of the ISSUER or the ESCO. Every such right and power in the event of a default may be exercised from time to time and as often as may be deemed expedient.

10.10. **Severability.** It is agreed that the illegality or invalidity of any term or clause of this Agreement, shall not affect the validity of the remainder of this Agreement and this Agreement shall remain in full force and effect as if such illegal or invalid term or clause were not contained herein, provided that the remaining portions of the Agreement shall be construed to effectuate as nearly as possible the apparent intent of the term or clause.

10.11. **Complete Agreement; Amendments.** This Agreement, when executed, together with all Project Documents and Schedules referred to in Paragraph 4.3 and any other exhibits or attachments referred to in this Agreement, shall constitute the entire agreement between the
Parties and this Agreement may not be amended or modified except by a written agreement signed by the Parties hereto.

10.12. Further Documents. The Parties shall execute and deliver all documents and perform all further acts that may be reasonably necessary to effectuate the provisions of this Agreement.

10.13. Applicable Law. This Agreement and the construction and enforceability thereof shall be interpreted under the laws and solely in the courts of the State of North Carolina.

10.14. Notices. All notices required under this Agreement shall be in writing and shall be deemed properly served if delivered in person to the individual to whom it is addressed or, three (3) days after deposit in the United States mail, if sent postage prepaid by United States registered or certified mail, return receipt requested to the persons listed as follows:

For the Issuer: For the ESCO:

10.15. Non-appropriation of Funds. In the event insufficient ISSUER or other funds are appropriated and budgeted in any fiscal period for which payments are due ESCO under this Agreement, then the ISSUER will, not less than ___ days prior to end of such applicable fiscal period, in writing, notify the ESCO of such occurrence and this Agreement shall terminate on the last day of the fiscal period for which appropriations were made without penalty or expense to the ISSUER of any kind whatsoever, except as to the portions of payments herein agreed upon for which the ISSUER and/or other funds shall have been appropriated and budgeted or are otherwise available.

10.16. Termination for Convenience by the Issuer. Subsequent to the date of the Certification of Final Acceptance, this Agreement may be terminated at the sole discretion of the ISSUER in accordance with the provisions of this Paragraph 10.16. The ISSUER shall provide written notice 30 days in advance ESCO. Until the specified date of termination of this Agreement, the ESCO’s obligation to report, reconcile and verify the energy savings achieved during the guaranty period proceeding termination remains in full force and effect, as does its obligation, pursuant to Section 9 of this Agreement, to remit payment to the ISSUER in the event that the energy savings have not been achieved at the level guaranteed by the ESCO. If the end of the notice period does not coincide with the end of the annual guaranty period all calculations of payments shall be prorated.

The termination of this Agreement by the ISSUER shall release the ESCO from its obligation to provide maintenance, monitoring and training services after the effective date of termination, as well as its obligation to provide the Energy Savings Guaranty after the termination date. Termination by the ISSUER shall release it from the obligation to make any payments to the ESCO for maintenance, monitoring and training services after the termination date, provided, however, that the ISSUER is responsible for payment for maintenance, monitoring and training services performed in accordance with the terms of this Agreement prior to the termination date.
11. EVENTS OF DEFAULT OR BREACH; REMEDIES

11.1. Events of Default.

11.1.1. By the ISSUER. Each of the following events or conditions shall constitute an "Event of Default" by the ISSUER:

i. any failure by the ISSUER to pay the ESCO any sum due for a service and maintenance period of more than sixty (60) days after written notification by ESCO that ISSUER is delinquent in making payment and provided that ESCO is not in default in its performance under the terms of this Agreement;

ii. any other material failure by the ISSUER to perform or comply with the terms and conditions of this Agreement, including breach of any covenant contained herein, provided that such failure continues for sixty (60) days after notice to the ISSUER demanding that such failures to perform be cured or if such cure cannot be effected in sixty (60) days, the ISSUER shall be deemed to have cured default upon the commencement of a cure within sixty (60) days and diligent subsequent completion thereof; or

iii. any representation or warranty furnished by the ISSUER in this Agreement, which was false, or misleading in any material respect when made.

11.1.2. By the ESCO. Each of the following events or conditions shall constitute an "Event of Default" by ESCO:

iv. the standards of comfort and service set forth in Schedule I (Standards of Comfort) are not provided due to failure of ESCO to properly design, install, maintain, repair or adjust the Equipment except that such failure, if corrected or cured within thirty (30) days after written notice by Customer to ESCO demanding that such failure be cured, shall be deemed cured for purposes of this Contract;

v. any representation or warranty furnished by ESCO in this Agreement is false or misleading in any material respect when made;

vi. failure to furnish and install the Equipment and make it ready for use within the time specified by this Contract as set forth in Schedules A (Equipment to be Installed by ESCO) and G (Construction and Installation Schedule);

vii. provided that the operation of the Premises is not adversely affected and provided that the standards of comfort in Schedule I (Standards of Comfort) are maintained, any failure by ESCO to perform or comply with the terms and conditions of this Agreement, including breach of any covenant contained herein except that such failure, if corrected or cured within thirty (30) days after written notice by the ISSUER to ESCO demanding that such failure to perform be cured, shall be deemed cured for purposes of this Contract;

viii. any lien or encumbrance is placed upon the Equipment by any subcontractor, laborer, supplier or lender of ESCO;

ix. the filing of a bankruptcy petition whether by ESCO or its creditors against ESCO which proceeding shall not have been dismissed within ninety (90) days of its filing, or an involuntary assignment for the benefit of all creditors or the liquidation of ESCO;

x. Any change in ownership or control of ESCO without the prior approval of the ISSUER, which shall not be unreasonably withheld; or

xi. failure by ESCO to pay any amount due Agency or perform any obligation under the terms of this Contract or the Energy Savings Guarantee as set forth in Schedule C (Energy Savings Guarantee).

11.2. Remedies Upon Default.
11.2.1. Remedies upon Default by the ISSUER. If an Event of Default by the ISSUER occurs, the ESCO may exercise all remedies available at law or in equity or statute other appropriate proceedings including bringing an action or actions from time to time for recovery of amounts due and unpaid by ISSUER, and/or for damages which shall include all costs and expenses reasonably incurred in exercise of its remedy. Election of one (1) remedy is not a waiver of other available remedies.

11.2.2. Remedies Upon Default by ESCO. In the Event of Default by ESCO, Agency may exercise any and all remedies at law or equity or statute, or institute other proceedings, including, without limitation, bringing an action or actions from time to time for specific performance, and/or for the recovery of amounts due and unpaid and/or for damages, which shall include all costs and expenses reasonably incurred, including attorney's fees. Election of one (1) remedy is not a waiver of other available remedies. In addition, the ISSUER shall have the following rights:

11.2.2.1. Right to Terminate the ESCO's Performance of the Work. If the ESCO fails or refuses to prosecute the Work with such diligence as to allow completion of the Work substantially in accordance with the Project Installation Schedule, or commits a material breach of any other provision of this Agreement or the Project Documents, and provided that such breach continues for thirty (30) days after written notice to the ESCO demanding that such breach be cured or if cure cannot be effected in such thirty (30) days, ESCO's failure to propose and commence a cure acceptable to the ISSUER within such thirty (30) days, the ISSUER may terminate the ESCO's right to proceed with the Work as specified herein. In no event shall the ISSUER have any obligation to compensate the ESCO for delays arising pursuant to the ESCO's failure or refusal to complete the Work and damages arising in connection therewith.

In such case, the ISSUER will give the ESCO and its surety written notice of intention to terminate the ESCO's right to complete the Work and the reason therefore and, unless within seven (7) business days the delay or violation shall cease or a cure acceptable to the ISSUER for correcting the situation is proposed, the ISSUER may issue a termination notice to such effect for the ESCO and its surety. Thereupon, the surety will be given the opportunity to complete the Work in accordance with the Project Documents. Such completion may include, but not be limited to, the use of a completing ESCO, satisfactory to the ISSUER, pursuant to a written termination agreement, the payment of a sum of money required to allow the ISSUER to complete the Work, or other arrangements agreed to by the ISSUER and the surety.

If within seven (7) business days following the issuance of the termination notice, the surety fails to notify the ISSUER that it intends to exercise its right to undertake the Work, the ISSUER may take over the Work, exclude the ESCO from the Premises and take possession of all of the ESCO's tools, appliances, equipment and machinery at the Premises and use the same to the full extent they could have been used by the ESCO (without liability for trespass or conversion), incorporate into the Work all materials and equipment stored at the Premises and finish the Work as the ISSUER may deem expedient.

In the event the ISSUER terminates the ESCO's right to complete the Work under this paragraph A.2), the ESCO shall not be entitled to receive
further payments until a Certificate of Acceptance has been delivered pursuant to Article 8 hereof specifying the amount, if any, payable to the ESCO pursuant. If the ISSUER’s expenses in completing the Work exceed the ESCO’s Compensation for the Work, the ESCO shall pay the difference to the ISSUER upon demand therefore.

Provided further, that a Certificate of Beneficial Use and Acceptance directing payment to the ESCO for any portion of the Work be issued only if the notification required pursuant to Article 7 has been delivered by the ESCO. If the ESCO is not able to deliver such notification, the ISSUER shall not execute and deliver a Certificate of Acceptance and may terminate this Agreement in accordance with the provisions of Article 11 and may pursue any and all remedies provided therein.

11.2.2.2. Right to Offset. Any additional costs incurred by the ISSUER in the event of termination of this Agreement for breach or default or otherwise resulting from the ESCO’s performance or non-performance under this Agreement, and any credits due to or overpayments made by the ISSUER may be offset by use of any payment due for the Work or other services completed before the termination for a breach or default or before the exercise of any remedies. If such amount offset is insufficient to cover such excess costs, the ESCO shall be liable for and promptly remit to the ISSUER the difference upon written demand therefore. This right to offset is in addition to and not a limitation of any other remedies available to the ISSUER.

12. REPRESENTATIONS AND WARRANTIES

12.1. Representations of the Parties. Each party warrants and represents to the other that:

i. It has all requisite power, authority, licenses, permits, and franchises, corporate or otherwise, to execute and deliver this Agreement and perform its obligations hereunder;

ii. Its execution, delivery, and performance of this Agreement have been duly authorized, executed and delivered for it by the signatories so authorized, and it constitutes its legal, valid, and binding obligation; and

iii. It has not received any notice, nor to the best of its knowledge is there pending or threatened any notice, of any violation of any applicable laws, ordinances, regulations, rules, decrees, awards, permits or orders which would materially and adversely affect its ability to perform hereunder.

12.2. Representations and Warranties by the Issuer. The ISSUER hereby warrants and represents to the ESCO that:

i. It will provide throughout the term of this Agreement (or cause its energy suppliers to furnish) to the ESCO, upon its request, copies of all available records and data concerning energy usage for the Premises including but not limited to the following data: utility records and rate schedules; occupancy information; descriptions of any major changes in the structure or use of the buildings or heating, cooling, lighting or other systems or energy requirements; descriptions of all energy consuming or saving equipment used in the Premises; descriptions of energy management procedures presently utilized; and any prior energy analyses of the Premises. The ISSUER shall make knowledgeable employees and agents available for
consultations and discussions with the ESCO concerning energy usage of the Premises.

ii. The ISSUER has not entered into any leases, contracts or agreements with other persons or entities regarding the leasing of energy efficiency equipment or the provision of energy management services for the Premises or with regard to maintaining any of the energy related equipment located in the Premises.

12.3. **Representations and Warranties by the ESCO.** The ESCO represents and warrants the following to the ISSUER (in addition to the other representations and warranties contained in the Project Documents), as an inducement to the ISSUER to execute this Agreement, which representations and warranties shall survive the execution and delivery of this Agreement and the Final Completion of the Work.

   i. That it is financially solvent, able to pay its debts as they mature and possessed of sufficient working capital to complete the Work and perform its obligations under this Agreement;
   
   ii. That it and each of its employees, agents and subcontractors of any tier are competent to perform its obligations under this Agreement;
   
   iii. That it is able to furnish the plant, tools, materials, supplies, equipment and labor required to complete the Work and perform its obligations hereunder and has sufficient experience and competence to do so;
   
   iv. That it is authorized to do business in the State of North Carolina and is properly licensed by all necessary governmental and public and quasi-public authorities having jurisdiction over it and over the Work and the Premises;
   
   v. That its execution of this Agreement and its performance thereof is within its duly authorized powers; and
   
   vi. That its duly authorized representative has visited the Premises, familiarized itself with the local conditions under which the Work is to be performed and correlated its observations with the requirements of the Project Documents.

IN WITNESS WHEREOF, the Parties have executed this Energy Services Agreement by their authorized signatures as of this ___ day of ________, 20___.

**THE ISSUER:**

BY: ____________________________
Title: __________________________

**THE ESCO:**

BY: ____________________________
Title: __________________________

State of North Carolina ESA 9/2011
STATE OF NORTH CAROLINA
STANDARD FORM OF INFORMAL CONTRACT
AND GENERAL CONDITIONS

FOR

(Agency/Institution)
(Project Name)
(Location)
(Project ID# - if applicable)

SCOPE OF WORK

(Brief outline of work required)

NOTICE TO BIDDERS

Sealed bid for this work will be received by:

(Person to receive)
(Agency/Institution)
(Physical address – Office, Building, Room)
(Mailing Address)
(Telephone/Fax)

up to 3:00 PM, on (Date) ____________________________ and immediately thereafter publicly opened and read aloud. Complete plans and specification and contract documents can be obtained from

(Designer/Owner, address, telephone)

Contractors are hereby notified that they must have proper license under the State laws governing their respective trades and that North Carolina General Statute 87 will be observed in receiving and awarding contracts. General Contractors must have general license classification for ______ (See Licensing Board Rules & Regulations)

No bid may be withdrawn after the opening of bids for a period of 30 days. The Owner reserves the right to reject any or all bids and waive informalities. Bids shall be made only on the BID/ACCEPTANCE form provided herein with all blank spaces for bids properly filled in and all signatures properly executed.

Please note on the envelope – Bid: Attn: (Owner Representative)

(Project Name)
(Bid Date)
(Contractor)
(License Number)

Add any additional information such as Contact Person, site visit, hours, pre-bid conference, mailing instructions.

State of North Carolina Standard Form of Informal Contract and General Conditions
BID/ACCEPTANCE FORM

for

(Project Name)

(ID# if applicable)

(Brief Project Description and Location)

(Designer to include Addendum language only if applicable to the project)

We are in receipt of Addendum __________ 1 __________ 2 __________ 3 __________ 4

The undersigned, as bidder, proposes and agrees if this bid is accepted to contract with the State of North Carolina through the (Agency/Institution) for the furnishing of all materials, equipment, and labor necessary to complete the construction of the work described in these documents in full and complete accordance with plans, specifications, and contract documents, and to the full and entire satisfaction of the (State of North Carolina) and the (Designer/Agency/Institution) for the sum of:

BASE BID: ___________________________ Dollars $

(Designer to include this table only if applicable to the project)

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Respectively submitted this __________ day of ________________ 20__

______________________________________________________________________________

(Contractor’s Name)

Federal ID#: __________________________ By: __________________________

Witness: __________________________

(Proprietorship or Partnership)

Attest: (corporation) Email Address: __________________________

(Corporate Seal)

By: __________________________ License #: __________________________

Title: __________________________ (Corporation, Secretary/Ass’t Secretary)

State of North Carolina Standard Form of Informal Contract and General Conditions 2
ACCEPTED by the STATE OF NORTH CAROLINA
through the

(Agency/Institution)

BY: ________________________________ TITLE: __________________________
GENERAL CONDITIONS

1. GENERAL

It is understood and agreed that by submitting a bid that the Contractor has examined these contract documents, drawings and specifications and has visited the site of the Work, and has satisfied himself relative to the Work to be performed.

2. DEFINITIONS

Owner: "Owner" shall mean, The State of North Carolina through (name of agency).

Contractor: "Contractor" shall mean the entity that will provide the services for the Owner.

Designer: The designer(s) are those referred to within this contract, or their authorized representatives. The Designer(s), as referred to herein, shall mean architect and/or engineer responsible for preparing the project plans and specifications. They will be referred to hereinafter as if each were of the singular number, masculine gender.

Contract Documents: "Contract Documents" shall consist of the Notice to Bidders; General Conditions of the Contract; special conditions if applicable; Supplementary General Conditions; the drawing and specifications, including all bulletins, addenda or other modifications of the drawings and specifications incorporated into the documents prior to their execution; the bid; the contract; the performance bond if applicable; and insurance certificates. All of these items together form the contract.

INTENT AND EXECUTION OF DOCUMENTS

The drawings and specifications are complementary, one to the other. That which is shown on the drawings or called for in the specifications shall be as binding as if it were both called for and shown. The intent of the drawings and specifications is to establish the scope of all labor, materials, transportation, equipment, and any and all other things necessary to provide a complete job. In case of discrepancy or disagreement in the Contract Documents, the order of precedence shall be: Form of Contract, specifications, large-scale detail drawings, small-scale drawings.

In such cases where the nature of the work requires clarification by the Designer/Owner, the Designer/Owner shall furnish such clarification. Clarifications and drawings shall be consistent with the intent of the Contract Documents, and shall become a part thereof.

4. AS-BUILT MARKED-UP CONSTRUCTION DOCUMENTS

Contractor shall provide one complete set of legible “as-built” marked-up construction drawings and specifications recording any and all changes made to the original design during the course of construction. In the event no changes occurred, submit construction drawings and specifications set with notation “No Changes.” The Designer/Owner must receive “As-built” marked-up construction drawings and specifications before the final pay request can be processed.

5. SUBMITTAL DATA

The Contractor awarded the contract shall submit all specified submittals to the Owner/Designer. A minimum number of copies as specified by the owner, of all required submittal data pertaining to construction, performance and general dimensional criteria of the components listed in the technical specifications shall be submitted. No material or equipment shall be ordered or installed prior to written approval of the submittals by the Designer/Owner. Failure to provide submittal data for review on equipment listed in the technical specifications will result in removal of equipment by the Contractor at his expense if the equipment is not in compliance with the specifications.

6. SUBSTITUTIONS
In accordance with the provisions of G.S. 133-3, material, product, or equipment substitutions proposed by the bidders to those specified herein can only be considered during the bidding phase until five (5) days prior to the receipt of bids or by the date specified in the pre bid conference, when submitted to the Designer with sufficient data to confirm material, product, or equipment equality. Proposed substitutions submitted after this time will be considered only as potential change order.

Submittals for proposed substitutions shall include the following information:

a. Name, address, and telephone number of manufacturer and supplier as appropriate.

b. Trade name, model or catalog designation.

c. Product data including performance and test data, reference standards, and technical descriptions of material, product, or equipment. Include color samples and samples of available finishes as appropriate.

d. Detailed comparison with specified products including performance capabilities, warranties, and test results.

e. Other pertinent data including data requested by the Designer to confirm product equality.

If a proposed material, product, or equipment substitution is deemed equal by the Designer to those specified, all bidders of record will be notified by Addendum.

7. WORKING DRAWINGS AND SPECIFICATIONS AT THE JOB SITE

The contractor shall maintain, in readable condition at his job site one complete set of working drawings and specifications for his work including all shop drawings. Such drawings and specifications shall be available for use by the owner, designer or his authorized representative.

The contractor shall maintain at the job site, a day-to-day record of work-in-place that is at variance with the contract documents. Such variations shall be fully noted on project drawings by the contractor and submitted to the designer upon project completion and no later than 30 days after acceptance of the project.

8. MATERIALS, EQUIPMENT, EMPLOYEES

a. The contractor shall, unless otherwise specified, supply and pay for all labor, transportation, materials, tools, apparatus, lights, power, fuel, heat, sanitary facilities, water, scaffolding and incidentals necessary for the completion of his work, and shall install, maintain and remove all equipment of the construction, other utensils or things, and be responsible for the safe, proper and lawful construction, maintenance and use of same, and shall construct in the best and most workmanlike manner, a complete job and everything incidental thereto, as shown on the plans, stated in the specifications, or reasonably implied therefrom, all in accordance with the contract documents.

b. All materials shall be new and of quality specified, except where reclaimed material is authorized herein and approved for use. Workmanship shall at all times be of a grade accepted as the best practice of the particular trade involved, and as stipulated in written standards of recognized organizations or institutes of the respective trades except as exceeded or qualified by the specifications.

c. Upon notice, the contractor shall furnish evidence as to quality of materials.

d. Products are generally specified by ASTM or other reference standard and/or by manufacturer's name and model number or trade name. When specified only by reference standard, the Contractor may select any product meeting this standard, by any manufacturer. When several products or manufacturers are specified as being equally acceptable, the Contractor has the option of using any product and manufacturer combination listed. However, the contractor shall be aware that the cited examples are used only to denote the quality standard of product desired and that they do not restrict bidders to a specific brand, make, manufacturer or specific name; that they are used only to set forth and convey to bidders the general style, type, character and quality of product desired; and that equivalent products will be acceptable. Request for substitution of materials, items, or equipment shall
be submitted to the designer for approval or disapproval; the designer prior to the opening of bids shall make such approval or disapproval. Alternate materials may be requested after the award if it can clearly be demonstrated that it is an added benefit to the owner and the designer and owner approves.

e. The designer is the judge of equality for proposed substitution of products, materials or equipment.

f. If at any time during the construction and completion of the work covered by these contract documents, the language, conduct, or attire of any workman of the various crafts be adjudged a nuisance to the owner or designer, or if any workman be considered detrimental to the work, the contractor shall order such parties removed immediately from grounds.

g. The Contractor shall cooperate with the designer and the owner in coordinating construction activities.

h. The Contractor shall maintain qualified personnel and effective supervision at the site at all times during the project, and exercise the appropriate quality control program to ensure compliance with the project drawings and specifications. The designer is responsible for determining compliance with the drawings and specifications.

9. CODES, PERMITS AND INSPECTIONS

The Contractor shall obtain the required permits, if required, give all notices, and comply with all laws, ordinances, codes, rules and regulations bearing on the conduct of the work under this contract. If the Contractor observes that the drawings and specifications are at variance therewith, he shall promptly notify the Designer in writing. If the Contractor performs any work knowing it to be contrary to such laws, ordinances, codes, rules and regulations, and without such notice to the Owner, he shall bear all cost arising there from.

All work under this contract shall conform to the current North Carolina Building Code and other state and national codes as are applicable.

Projects constructed by the State of North Carolina or by any agency or institution of the State are not subject to county or municipal building codes and may* not be subject to inspection by county or municipal authorities. Where appropriate, the Contractor shall, cooperate with the county or municipal authorities by obtaining building permits. The contractor at no cost may obtain permits to the owner.

All fire alarm work shall be in accordance with the latest State Construction Office (SCO) Guidelines for Fire Alarm Installation (NFPA72). Where the contract documents are in conflict with the SCO guidelines, the SCO guidelines shall govern. The Contractor shall be responsible for all the costs for the correction of the work where he installs it in conflict with the latest edition of the SCO Guidelines for Fire Alarm Installation.

*Inspection and certification of compliance by local authorities is necessary if an architect or engineer was not employed on the project, or if the plans and specifications were not approved and the construction inspected by the State Construction Office.

10. PROTECTION OF WORK, PROPERTY, THE PUBLIC AND SAFETY

a. The contractors shall be jointly responsible for the entire site and the building or construction of the same and provide all the necessary protections, as required by the owner or designer, and by laws or ordinances governing such conditions. They shall be responsible for any damage to the owner's property or of that of others on the job, by them, their personnel, or their subcontractors, and shall make good such damages. They shall be responsible for and pay for any damages caused to the owner. All contractors shall have access to the project at all times, except as indicated in the Supplemental General Conditions.

b. The contractor shall provide cover and protect all portions of the structure when the work is not in progress, provide and set all temporary roofs, covers for doorways, sash and windows, and all other materials necessary to protect all the work on the building, whether set by him, or any of the
subcontractors. Any work damaged through the lack of proper protection or from any other cause, shall be repaired or replaced without extra cost to the owner.

c. No fires of any kind will be allowed inside or around the operations during the course of construction without special permission from the designer and owner.

d. The contractor shall protect all trees and shrubs designated to remain in the vicinity of the operations by building substantial boxes around it. He shall barricade all walks, roads, etc., as directed by the designer to keep the public away from the construction. All trenches, excavations or other hazards in the vicinity of the work shall be well barricaded and properly lighted at night.

e. The contractor shall provide all necessary safety measures for the protection of all persons on the job, including the requirements of the A.G.C. Accident Prevention Manual in Construction, as amended, and shall fully comply with all state laws or regulations and North Carolina State Building Code requirements to prevent accident or injury to persons on or about the location of the work. He shall clearly mark or post signs warning of hazards existing, and shall barricade excavations, elevator shafts, stairwells and similar hazards. He shall protect against damage or injury resulting from falling materials and he shall maintain all protective devices and signs throughout the progress of the work.


i. In the event of emergency affecting the safety of life, the protection of work, or the safety of adjoining properties, the contractor is hereby authorized to act at his own discretion, without further authorization from anyone, to prevent such threatened injury or damage. Any compensation claimed by the contractor on account of such action shall be determined as provided for under Article 19(b).

j. Any and all costs associated with correcting damage caused to adjacent properties of the construction site or staging area shall be borne by the contractor. These costs shall include but not be limited to flooding, mud, sand, stone, debris, and discharging of waste products.

11. SUBCONTRACTS AND SUBCONTRACTORS

The Contractor is and remains fully responsible for his own acts or omissions as well as those of any subcontractor or of any employee of either. The Contractor agrees that no contractual relationship exists between the subcontractor and the Owner in regard to the contract, and that the subcontractor acts on this work as an agent or employee of the Contractor.

12. CONTRACTOR-SUBCONTRACTOR RELATIONSHIPS

The Contractor agrees that the terms of these Contract Documents shall apply equally to each Subcontractor as to the Contractor, and the Contractor agrees to take such action as may be necessary to bind each Subcontractor to these terms. The Contractor further agrees to conform to the Code of Ethical Conduct as adopted by the Associated General Contractors of America, Inc., with respect to Contractor-Subcontractor relationships. The Owner reserves the right to limit the amount of portions of work to be subcontracted as hereinafter specified.

13. CHANGES IN THE WORK AND CLAIMS FOR EXTRA COST

a. The owner may have changes made in the work covered by the contract. These changes will not invalidate and will not relieve or release the contractor from any guarantee given by him pertinent to the contract provisions. These changes will not affect the validity of the guarantee bond and will not relieve the surety or sureties of said bond. All extra work shall be executed under conditions of the original contract.

b. Except in an emergency endangering life or property, no change shall be made by the contractor except upon receipt of approved change order from the designer, countersigned by the owner authorizing such change. No claim for adjustments of the contract price shall be valid unless this
procedure is followed. Should a claim for extra compensation by the contractor be denied by the designer or the owner, the contractor may pursue his claim in accordance with G.S. 143-135.3.

In the event of emergency endangering life or property, the contractor may be directed to proceed on a time and material basis whereupon the contractor shall proceed and keep accurately on such form as specified by the designer or owner, a correct account of costs together with all proper invoices, payrolls and supporting data. Upon completion of the work the change order will be prepared as outlined under either Method "c(1)" or Method "c(2)" or both.

c. In determining the values of changes, either additive or deductive, contractors are restricted to the use of the following methods:

1. Where the extra work involved is covered by unit prices quoted in the proposal, or subsequently agreed to by the Contractor, Designer, Owner and State Construction Office the value of the change shall be computed by application of unit prices based on quantities, estimated or actual as agreed of the items involved, except is such cases where a quantity exceeds the estimated quantity allowance in the contract by one hundred percent (100%) or more. In such cases, either party may elect to proceed under subparagraph c (2) herein. If neither party elects to proceed under c (2), then unit prices shall apply.

2. The contracting parties shall negotiate and agree upon the equitable value of the change prior to issuance of the change order, and the change order shall stipulate the corresponding lump sum adjustment to the contract price.

d. Under Paragraph "b" and Methods "c(2)" above, the allowances for overhead and profit combined shall be as follows: all contractors (the single contracting entity (prime), his subcontractors(1st tier subs), or their sub-subcontractors (2nd tier subs, 3rd tier subs, etc.) shall be allowed a maximum of 10% on work they each self-perform; the prime contractor shall be allowed a maximum of 5% on contracted work of his 1st tier sub; 1st tier, 2nd tier, 3rd tier, etc. contractors shall be allowed a maximum of 2.5% on the contracted work of their subs.; Under Method "c(1)", no additional allowances shall be made for overhead and profit. In the case of deductible change orders, under Method "c(2)" and Paragraph (b) above, the contractor shall include no less than five percent (5%) profit, but no allowances for overhead.

e. The term "net cost" as used herein shall mean the difference between all proper cost additions and deductions. The "cost" as used herein shall be limited to the following:

1. The actual costs of materials and supplies incorporated or consumed as part of the work;

2. The actual costs of labor expended on the project site; labor expended in coordination, change order negotiation, record document maintenance, shop drawing revision or other tasks necessary to the administration of the project are considered overhead whether they take place in an office or on the project site.

3. The actual costs of labor burden, limited to the costs of social security (FICA) and Medicare/Medicaid taxes; unemployment insurance costs; health/dental/vision insurance premiums; paid employee leave for holidays, vacation, sick leave, and/or petty leave, not to exceed a total of 30 days per year; retirement contributions; worker’s compensation insurance premiums; and the costs of general liability insurance when premiums are computed based on payroll amounts; the total of which shall not exceed thirty percent (30%) of the actual costs of labor;

4. The actual costs of rental for tools, excluding hand tools; equipment; machinery; and temporary facilities required for the work;

5. The actual costs of premiums for bonds, insurance, permit fees and sales or use taxes related to the work.
Overtime and extra pay for holidays and weekends may be a cost item only to the extent approved by the owner.

f. Should concealed conditions be encountered in the performance of the work below grade, or should concealed or unknown conditions in an existing structure be at variance with the conditions indicated by the contract documents, the contract sum and time for completion may be equitably adjusted by change order upon claim by either party made within thirty (30) days after the condition has been identified. The cost of such change shall be arrived at by one of the foregoing methods. All change orders shall be supported by a unit cost breakdown showing method of arriving at net cost as defined above.

g. Change orders shall be submitted by the contractor in writing to the owner/designer for review and approval. The contractor will provide such proposal and supporting data in suitable format. The designer shall verify correctness. Delay in the processing of the change order due to lack of proper submittal by the contractor of all required supporting data shall not constitute grounds for a time extension or basis of a claim. Within fourteen (14) days after receipt of the contractor’s accepted proposal including all supporting documentation required by the designer, the designer shall prepare the change order and forward to the contractor for his signature or otherwise respond in writing to the contractor’s proposal. Within seven (7) days after receipt of the change order executed by the contractor, the designer shall, certify the change order by his signature, and forward the change order and all supporting data to the owner for the owner’s signature. The owner shall execute the change order, within seven (7) days of receipt.

At the time of signing a change order, the contractor shall be required to certify as follows:

“I certify that my bonding company will be notified forthwith that my contract has been changed by the amount of this change order, and that a copy of the approved change order will be mailed upon receipt by me to my surety.”

h. A change order, when issued, shall be full compensation, or credit, for the work included, omitted or substituted. It shall show on its face the adjustment in time for completion of the project as a result of the change in the work.

i. If, during the progress of the work, the owner requests a change order and the contractor’s terms are unacceptable, the owner, may require the contractor to perform such work on a time and material basis whereupon the contractor shall proceed and keep accurately on such form as specified by the Designer or owner, a correct account of cost together with all proper invoices, payrolls and supporting data. Upon completion of the work a change order will be prepared with allowances for overhead and profit per paragraph d. above and “net cost” and “cost” per paragraph e. above. Without prejudice, nothing in this paragraph shall preclude the owner from performing or to have performed that portion of the work requested in the change order.

14. ANNULMENT OF CONTRACT

If the contractor fails to begin the work under the contract within the time specified, or the progress of the work is not maintained on schedule, or the work is not completed within the time specified, or fails to perform the work with sufficient workmen and equipment or with sufficient materials to ensure the prompt completion of said work, or shall perform the work unsuitably or shall discontinue the prosecution of the work, or if the contractor shall become insolvent or be declared bankrupt or commit any act of bankruptcy or insolvency, or allow any final judgment to stand against him unsatisfied for a period of forty-eight (48) hours, or shall make an assignment for the benefit of creditors, or for any other cause whatsoever shall not carry on the work in an acceptable manner, the owner may give notice in writing, sent by certified mail, return receipt requested, to the contractor and his surety (if applicable) of such delay, neglect or default, specifying the same, and if the contractor within a period of seven (7) days after such notice shall not proceed in accordance therewith, then the owner shall, declare this contract in default, and, thereupon, the surety shall promptly take over the work and complete the performance of this contract in the manner and within the time frame specified. In the event the contractor, or the surety (if applicable) shall fail to take over the work to be done under this contract within seven (7) days after being so notified and notify the owner in writing, sent by certified mail, return receipt requested, that he is taking the same over and stating that he will diligently pursue and complete the same, the owner shall have full power and authority, without violating the contract, to take the prosecution of the work out of the hands of said contractor, to appropriate or use any or all
contract materials and equipment on the grounds as may be suitable and acceptable and may enter into an agreement, either by public letting or negotiation, for the completion of said contract according to the terms and provisions thereof or use such other methods as in his opinion shall be required for the completion of said contract in an acceptable manner. All costs and charges incurred by the owner, together with the costs of completing the work under contract, shall be deducted from any monies due or which may become due said contractor and surety (if applicable). In case the expense so incurred by the owner shall be less than the sum which would have been payable under the contract, if it had been completed by said contractor, then the said contractor and surety (if applicable) shall be entitled to receive the difference, but in case such expense shall exceed the sum which would have been payable under the contract, then the contractor and the surety (if applicable) shall be liable and shall pay to the owner the amount of said excess.

15. TERMINATION FOR CONVENIENCE

a. Owner may at any time and for any reason terminate Contractor’s services and work at Owner’s convenience, after notification to the contractor in writing via certified mail. Upon receipt of such notice, Contractor shall, unless the notice directs otherwise, immediately discontinue the work and placing of orders for materials, facilities and supplies in connection with the performance of this Agreement.

b. Upon such termination, Contractor shall be entitled to payment only as follows: (1) the actual cost of the work completed in conformity with this Agreement; plus, (2) such other costs actually incurred by Contractor as approved by Owner; (3) plus ten percent (10%) of the cost of the balance of the work to be completed for overhead and profit. There shall be deducted from such sums as provided in this subparagraph the amount of any payments made to Contractor prior to the date of the termination of this Agreement. Contractor shall not be entitled to any claim or claim of lien against Owner for any additional compensation or damages in the event of such termination and payment.

16. OWNER’S RIGHT TO DO WORK

If, during the progress of the work or during the period of guarantee, the contractor fails to prosecute the work properly or to perform any provision of the contract, the owner, after seven (7) days’ written notice sent by certified mail, return receipt requested, to the contractor from the designer, may perform or have performed that portion of the work. The cost of the work may be deducted from any amounts due or to become due to the contractor, such action and cost of same having been first approved by the designer. Should the cost of such action of the owner exceed the amount due or to become due the contractor, then the contractor or his surety, or both, shall be liable for and shall pay to the owner the amount of said excess.

17. REQUESTS FOR PAYMENT

Contractor shall refer to the Supplemental General Conditions for specific directions on payment schedule, procedures and the name and address where to send applications for payments for this project. It is imperative that invoices be sent only to the above address in order to assure proper and timely delivery and handling.

The Designer/Owner will process all Contractor pay requests as the project progresses. The Contractor shall receive payment within thirty (30) consecutive days after Designer/Owner’s approval of each pay request. Payment will only be made for work performed as determined by the Designer/Owner.

Retainage:

a. Retainage withheld will not exceed 5% at any time.
b. The same terms apply to general contractor and subcontractors alike.
c. Following 50% completion of the project no further retainage will be withheld if the contractor/subcontractor has performed their work satisfactorily.
d. Exceptions:
   1. Owner/Contractor can reinstate retainage if the contractor/subcontractor does not continue to perform satisfactorily.
2. Following 50% completion of the project, the owner is authorized to withhold additional retainage from a subsequent periodic payment if the amount of retainage withheld falls below 2.5%.

Final payment will be made within forty-five (45) consecutive days after acceptance of the work, receipt of marked-up "as-built" drawings and specifications and the submission both of notarized Contractor's affidavit and final pay request. All pay requests shall be submitted to the Designer/Owner for approval.

THE CONTRACTOR'S FINAL PAYMENT AFFIDAVIT SHALL STATE: "THIS IS TO CERTIFY THAT ALL COSTS OF MATERIALS, EQUIPMENT, LABOR, SUBCONTRACTED WORK, AND ALL ELSE ENTERING INTO THE ACCOMPLISHMENT OF THIS CONTRACT, INCLUDING PAYROLLS, HAVE BEEN PAID IN FULL."

18. PAYMENTS WITHHELD

The designer with the approval of the Owner may withhold payment for the following reasons:

   a. Faulty work not corrected.

   b. The unpaid balance on the contract is insufficient to complete the work in the judgment of the designer.

   c. To provide for sufficient contract balance to cover liquidated damages that will be assessed.

   d. The secretary of the Department of Administration may authorize the withholding of payment for the following reasons:

      i. Claims filed against the contractor or evidence that a claim will be filed.

      ii. Evidence that subcontractors have not been paid.

When grounds for withholding payments have been removed, payment will be released. Delay of payment due the contractor without cause will make owner liable for payment of interest to the contractor as provided in G.S. 143-134.1. As provided in G.S. 143-134.1(e), the owner shall not be liable for interest on payments withheld by the owner for unsatisfactory job progress, defective construction not remedied, disputed work, or third-party claims filed against the owner or reasonable evidence that a third-party claim will be filed.

19. MINIMUM INSURANCE REQUIREMENTS

The work under this contract shall not commence until the contractor has obtained all required insurance and verifying certificates of insurance have been approved in writing by the owner. These certificates shall document that coverages afforded under the policies will not be cancelled, reduced in amount or coverages eliminated until at least thirty (30) days after mailing written notice, by certified mail, return receipt requested, to the insured and the owner of such alteration or cancellation. If endorsements are needed to comply with the notification or other requirements of this article copies of the endorsements shall be submitted with the certificates.

   a. Worker's Compensation and Employer's Liability

      The contractor shall provide and maintain, until final acceptance, workmen's compensation insurance, as required by law, as well as employer's liability coverage with minimum limits of $100,000.

   b. Public Liability and Property Damage

      The contractor shall provide and maintain, until final acceptance, comprehensive general liability insurance, including coverage for premises operations, independent contractors, completed operations, products and contractual exposures, as shall protect such contractors from claims arising out of any bodily injury, including accidental death, as well as from claims for property
damages which may arise from operations under this contract, whether such operations be by the 
contractor or by any subcontractor, or by anyone directly or indirectly employed by either of them 
and the minimum limits of such insurance shall be as follows:

Bodily Injury: $500,000 per occurrence 
Property Damage: $100,000 per occurrence / $300,000 aggregate 

In lieu of limits listed above, a $500,000 combined single limit shall satisfy both conditions. 

Such coverage for completed operations must be maintained for at least two (2) years following 
final acceptance of the work performed under the contract.

c. Property Insurance (Builder’s Risk/Installation Floater) 

The contractor shall purchase and maintain property insurance until final acceptance, upon the 
entire work at the site to the full insurable value thereof. This insurance shall include the interests 
of the owner, the contractor, the subcontractors and sub-subcontractors in the work and shall 
insure against the perils of fire, wind, rain, flood, extended coverage, and vandalism and malicious 
mischief. If the owner is damaged by failure of the contractor to purchase or maintain such 
insurance, then the contractor shall bear all reasonable costs properly attributable thereto; the 
contractor shall effect and maintain similar property insurance on portions of the work stored off the 
site when request for payment per articles so includes such portions.

d. Deductible 

Any deductible, if applicable to loss covered by insurance provided, is to be borne by the 
contractor.

e. Other Insurance 

The contractor shall obtain such additional insurance as may be required by the owner or by the 
General Statutes of North Carolina including motor vehicle insurance, in amounts not less than the 
statutory limits.

f. Proof of Carriage 

The contractor shall furnish the owner with satisfactory proof of carriage of the insurance required 
before written approval is granted by the owner.

20. ASSIGNMENT

No assignment of the Contractor’s obligations or the Contractor’s right to receive payment hereunder shall be 
permitted. However, upon written request approved by the Owner and solely as a convenience to the Contractor, 
the Owner may: (1) forward the Contractor’s payment check directly to any person or entity designated by the 
Contractor, and (2) include any person or entity designated by Contractor as a joint payee on the Contractor’s 
payment check. In no event shall such approval and action obligate the Owner to anyone other than the 
Contractor, and the Contractor shall remain responsible for fulfillment of all contract obligations.

21. CLEANING UP AND RESTORATION OF SITE

The Contractor shall keep the sites and surrounding area reasonably free from rubbish at all times and shall 
remove debris from the site from time to time or when directed to do so by the Owner. Before final inspection and 
acceptance of the project, the Contractor shall thoroughly clean the sites, and completely prepare the project and 
site for use by the Owner.

At the end of construction, the contractor shall oversee and implement the restoration of the construction site to its 
original state. Restoration includes but not limited to walks, drives, lawns, trees and shrubs, corridors, stairs and 
other elements shall be repaired, cleaned or otherwise restored to their original state.

22. GUARANTEE
The contractor shall unconditionally guarantee materials and workmanship against patent defects arising from faulty materials, faulty workmanship or negligence for a period of twelve (12) months following the final acceptance of the work and shall replace such defective materials or workmanship without cost to the owner.

Where items of equipment or material carry a manufacturer's warranty for any period in excess of twelve (12) months, then the manufacturer's warranty shall apply for that particular piece of equipment or material. The contractor shall replace such defective equipment or materials, without cost to the owner, within the manufacturer's warranty period.

Additionally, the owner may bring an action for latent defects caused by the negligence of the contractor, which is hidden or not readily apparent to the owner at the time of beneficial occupancy or final acceptance, whichever occurred first, in accordance with applicable law.

Guarantees for roofing workmanship and materials shall be stipulated in the specifications sections governing such roof, equipment, materials, or supplies.

23. **STANDARDS**

All manufactured items and/or fabricated assemblies subject to operation under pressure, operation by connection to an electric source, or operation involving a connection to a manufactured, natural, or LP gas source shall be constructed and approved in a manner acceptable to the appropriate State inspector which customarily requires the label or re-examination listing or identification marking of appropriate safety standard organization, such as the American Society of Mechanical Engineers for pressure vessels; the Underwriters Laboratories and/or National Electrical Manufacturers Association for electrically operated assemblies; or the American Gas Association for gas operated assemblies, where such approvals of listings have been established for the type of device offered and furnished. Further, all items furnished shall meet all requirements of the Occupational Safety and Health Act (OSHA), and State and federal requirements relating to clean air and water pollution.

All equipment and products must be independent third party tested and labeled (UL, FM, or CTS) before final connections to Owner services or utilities.

24. **TAXES**

a. Federal excise taxes do not apply to materials entering into state work (Internal Revenue Code, Section 3442(3)).

b. Federal transportation taxes do not apply to materials entering into state work (Internal Revenue Code, Section 3475(b) as amended).

c. North Carolina sales tax and use tax, as required by law, do apply to materials entering into state work and such costs shall be included in the bid proposal and contract sum.

d. Local option sales and use taxes, as required by law, do apply to materials entering into state work as applicable and such costs shall be included in the bid proposal and contract sum.

e. **Accounting Procedures for Refund of County Sales & Use Tax**

Amount of county sales and use tax paid per contractor's statements:

Contractors performing contracts for state agencies shall give the state agency for whose project the property was purchased a signed statement containing the information listed in G.S. 105-164.14(e).

The Department of Revenue has agreed that in lieu of obtaining copies of sales receipts from contractors, an agency may obtain a certified statement as of April 1, 1991 from the contractor setting forth the date, the type of property and the cost of the property purchased from each vendor, the county in which the vendor made the sale and the amount of local sales and use taxes paid thereon. If the property was purchased out-of-state, the county in which the property was
delivered should be listed. The contractor should also be notified that the certified statement may be subject to audit.

In the event the contractors make several purchases from the same vendor, such certified statement must indicate the invoice numbers, the inclusive dates of the invoices, the total amount of the invoices, the counties, and the county sales and use taxes paid thereon.

Name of taxing county: The position of a sale is the retailer’s place of business located within a taxing county where the vendor becomes contractually obligated to make the sale. Therefore, it is important that the county tax be reported for the county of sale rather than the county of use.

When property is purchased from out-of-state vendors and the county tax is charged, the county should be identified where delivery is made when reporting the county tax.

Such statement must also include the cost of any tangible personal property withdrawn from the contractor’s warehouse stock and the amount of county sales or use tax paid thereon by the contractor.

Similar certified statements by his subcontractors must be obtained by the general contractor and furnished to the claimant.

Contractors are not to include any tax paid on supplies, tools and equipment which they use to perform their contracts and should include only those building materials, supplies, fixtures and equipment which actually become a part of or annexed to the building or structure.

25. EQUAL OPPORTUNITY CLAUSE

The non-discrimination clause contained in Section 202 (Federal) Executive Order 11246, as amended by Executive Order 11375, relative to equal employment opportunity for all persons without regard to race, color, religion, sex or national origin, and the implementing rules and regulations prescribed by the secretary of Labor, are incorporated herein.

The contractor(s) agree not to discriminate against any employee or applicant for employment because of physical or mental disabilities in regard to any position for which the employee or applicant is qualified. The contractor agrees to take affirmative action to employ, advance in employment and otherwise treat qualified individuals with such disabilities without discrimination based upon their physical or mental disability in all employment practices.

26. MINORITY BUSINESS PARTICIPATION

GS 143-128.2 establishes a ten percent (10%) goal for participation by minority business in total value of work for each State building project.

Owner to select just one of the following paragraphs and omit the other two based on estimated cost of project:

For construction contracts with an estimate value greater than $100,000 and less than $500,000, keep the following paragraph and omit the other two paragraphs:

Contractor shall comply with the document Guidelines for Recruitment and Selection of Minority Businesses for Participation in State Construction Contracts including Identification of Minority Business Participation, Affidavits A, B, C, and D, and Appendix E. These forms provided herein are hereby incorporated and made a part of this contract.

For construction contracts with an estimate value greater than $30,000 and less than $100,000, keep the following paragraph and omit the other two paragraphs:

The Owner has the responsibility to make a good faith effort to solicit minority bids and to attain the goal. The contractor shall include with his bid a completed Identification of HUB Certified/Minority Business Participation form. Contractor shall submit completed Appendix E MBE Documentation for Contract Payments form with each payment request.
For construction contracts with an estimate value less than $30,000, keep the following paragraph and omit the other two paragraphs:

The Owner has the responsibility to make a good faith effort to solicit minority bids and to attain the goal. The Contractor shall submit completed Appendix E MBE Documentation for Contract Payments form with final payment request.

27. \textbf{ACCESS TO PERSONS AND RECORDS}

The State Auditor shall have access to persons and records as a result of all contracts or grants entered into by the Owner in accordance with General Statute 147-64.7. The Owner’s internal auditors shall also have the right to access and copy the Contractor’s records relating to the Contract and Project during the term of the Contract and within two years following the completion of the Project/close-out of the Contract to verify accounts, accuracy, information, calculations and/or data affecting and/or relating to Contractor’s requests for payment, requests for change orders, change orders, claims for extra work, requests for time extensions and related claims for delay/extended general conditions costs, claims for lost productivity, claims for lost efficiency, claims for idle equipment or labor, claims for price/cost escalation, pass-through claims of subcontractors and/or suppliers, and/or any other type of claim for payment or damages from Owner and/or its project representatives.

28. \textbf{GOVERNING LAWS}

This contract is made under and shall be governed by and construed in accordance with the laws of the State of North Carolina. The Contractor shall comply with all applicable federal, State and local laws, statutes, ordinances and regulations including, but not limited to, the Omnibus Transportation Act of 1991 and its implementing regulations.

29. \textbf{CONTRACTOR EVALUATION}

The contractor’s overall work performance on the project shall be fairly evaluated in accordance with the State Building Commission policy and procedures, for determining qualifications to bid on future State projects. In addition to final evaluation, an interim evaluation may be prepared during the progress of project. The owner may request the contractor’s comments to evaluate the designer.
SUPPLEMENTARY GENERAL CONDITIONS

TIME OF COMPLETION

The Contractor shall commence work to be performed under this Contract on a date to be specified in written order from the Designer/Owner and shall fully complete all work hereunder within (_______) consecutive calendar days from the Notice to Proceed (Owner may elect to insert here a specific completion date in lieu of a specific number of calendar days). For each day in excess of the above number of days, the Contractor shall pay the Owner the amount of $__________ Dollars ($__________) as liquidated damages reasonably estimated in advance to cover the losses to be incurred by the Owner should the Contractor fail to complete the Work within the time specified.

If the Contractor is delayed at anytime in the progress of his work by any act or negligence of the Owner, his employees or his separate contractor, by changes ordered in the work; by abnormal weather conditions; by any causes beyond the Contractor's control or by other causes deemed justifiable by Owner, then the contract time may be reasonably extended in a written order from the Owner upon written request from the contractor within ten days following the cause for delay. Time extensions for weather delays, acts of God, labor disputes, fire, delays in transportation, unavoidable casualties or other delays which are beyond the control of the Owner do not entitle the Contractor to compensable damages for delays. Any contractor claim for compensable damages for delays is limited to delays caused solely by the owner or its agents.

NOTE:
The following is a listing of several possible additions and clarifications that may occasionally occur as a Supplementary General Conditions (SGC) of the project. It is the owner/designer's responsibility to ascertain what applies to this project and delete/edit this SGC accordingly.

CONTRACTION SCHEDULE:
Owner to insert specific schedule requirements.

PAYMENTS
Owner to insert specific information regarding payments (number of payments, invoice format, where to send invoices, for example).

ROOFING GUARANTEE  (IF APPLICABLE, USE THE FOLLOWING TEXT)
The following paragraph is hereby added and shall become a part of the Guarantee of the General Conditions of the Contract. The substitution of an equal or longer term manufacturer's warranty in lieu of this requirement will not be accepted.

The Roofing Contractor shall warrant the materials and workmanship of the roofing system against leakage and against defects due to faulty materials, workmanship and contract negligence for a period of two (2) years following acceptance of the project by the Owner."

The Roofing System Manufacturer shall inspect the installation and warrant the materials and workmanship of the roofing system against leakage for a minimum period of ten (10) years following acceptance of the project by the Owner.

UTILITIES
Owner may provide certain utilities such as power or water with connections and extensions by the Contractor. Use of existing toilets, parking, access, etc. may be described.

SECURITY

State of North Carolina Standard Form of Informal Contract and General Conditions 16
Some state schools and correctional facilities have specific rules and requirements relative to security, storage, etc.

USE OF SITE

May be restricted. Work hours may be limited. Parking permits may be required.

ALTERNATE BIDS

Should be used to control project costs. Base bid 90% of budget with add alternates to 110% of budget makes contract award possible without negotiation.

UNIT PRICES

For unknown conditions or amounts of work. Always provide and estimated amount for inclusion in the Base Bid then adjust the actual amount up or down.

NO SMOKING POLICY

Owner to insert specific language

SUSTAINABILITY

Owner to insert specific requirements.

FIRE ALARM WORK

Contractor for fire alarms shall be approved by Design and Construction Services Department prior to beginning work.

PERFORMANCE AND PAYMENT BONDS (IF REQUIRED BY OWNER, USE THIS TEXT)

Contractor shall furnish a Performance Bond and Payment Bond executed by a surety company authorized to do business in North Carolina. The bonds shall be in the full contract amount. Bonds shall be executed in the form bound with these specifications (Forms 307 & 308). An authorized agent of the bonding company who is licensed to do business in North Carolina shall countersign all bonds.

MINORITY BUSINESS PARTICIPATION

Owner to insert specific additional requirements.

TECHNICAL SPECIFICATIONS

SHOULD FOLLOW THE SUPPLEMENTARY GENERAL CONDITIONS.
DOA - State Property Office & DOI - Risk Management
Property Reporting Form
(Dual Reporting for DOA and DOI)

Department or University Division
Department/Division # Complex # - - Asset # (if assigned)
Building Name Street Address
City County Zip Code -
(Please provide zip code for the building location, not for the mailing address)
Your Name Phone # ( ) - Ext Email

New Building □ Acquisition □ Renovation □ Addition □ Lease □ Demolished □
(Check appropriate category. If more than one category is checked, please explain)

New Building: Date Accepted by State Year Constructed Construction Cost $
(m/d/y) (m/d/y)
Acquisition: Date of Acquisition Year Constructed Acquisition Cost $
(m/d/y) (m/d/y)
Method of Acquisition (check method) Construction □ Purchase □ Lease/Purchase □
Condemnation □ Donation □ Transfer □ Other □
Renovation: Date of Acceptance Renovation Type (check type) Renovation Cost
(m/d/y) (m/d/y) Add space □ Reduce Space □ Expanded Rooms □ None □
Increased Gross Sq. Ft. Decreased Gross Sq. Ft.
 Increased Net Sq. Ft. Decreased Net Sq. Ft.

Main Use(s) of Building
(e.g., office, dormitory, automobile maintenance, furniture storage, produce sales, laboratory, etc.)
Building Occupants

Total # of Floors Floors Above Ground Floors Below Ground
Fire Alarm: Yes □ No □ Fire Sprinkler System: Yes □ No □ Flood Zone
(e.g., A, A1, B, C, V, X, etc.)
Fire Department or Fire District (providing primary response)
Heat System Forced Air □ Steam □ Hot Water □ Resist □ None □ Space Heater □
Heating Fuel Electric □ Gas □ Fuel Oil □ Coal □ Wood □ Solar □ Other □
A/C System Chiller □ Central □ Window □ None □

Roof Construction
Floor Construction
Exterior Wall Construction

Insurance Coverage

<table>
<thead>
<tr>
<th>Dept/Div #</th>
<th>Coverage For (Bldg or Conts)</th>
<th>Funding (Gen. or Spec.)</th>
<th>Type of Coverage (Fire, EC, VMM, &quot;All Risk&quot;(Special), &quot;All Risk&quot; (Computers/Misc), etc.)</th>
<th>Replacement Value ($)</th>
</tr>
</thead>
</table>

Send a copy to DOA - State Property Office & DOI - Risk Management
Dept. of Administration - State Property Office, 1321 Mail Service Center, Raleigh, NC 27699-1321 or e-mail: John.Cox@doa.nc.gov
Dept. of Insurance – Risk Management Division, P. O. Box 26387, Raleigh, NC 27611-6387 or e-mail: Pat.Howell@modoi.gov