

Your Project Has Been Funded

How to navigate department procedures for a successful outcome

Department Publications and Documents

- Project Agreement
- Capital Project Administration Handbook 2017
- Professional Services for School Capital Projects (AE Handbook) 2018
- A Handbook to Writing Educational Specification 2019
- Alaska School Facilities Preventive Maintenance Handbook 1999
- Project Delivery Method Handbook 2017
- Renewal and Replacement Spreadsheet 2017
- Guidelines for School Equipment Purchases 2016

General Flow of a Typical Project under DEED Guidelines

1. Project Agreement is signed
2. Consultant is selected, project design and documents are produced
3. Project is bid and lowest responsive bidder is awarded the contract
4. Construction is performed
5. Closeout documents are submitted
6. Termination agreements signed
7. That's all you need to know. We can now go home....

Project Agreement – Scope of Work

PROJECT AGREEMENT

APPENDIX A

- When the project is funded the department will e-mail a “draft” agreement to the responsible person. Don’t sign but review:
- **Scope of work**
 - Should reflect scope in question 3d of the application

1. Project Scope of Work: *(Use additional pages if necessary)*

Eligible Gross Square Footage: 34,425sf; 4 AAC 31.020(e)

This project is to construct a new K-12 school facility on a new ~16 acre site approximately 8 miles from the current town site of Kivalina. The school facility will provide adequate instructional, administrative, education support, and mechanical/utility spaces. Site and utility elements are as follows:

- On-site improvements may include: vehicle access drives, parking, pedestrian walkways, playground/play deck, safety fencing/gates, traffic control devices, and elevated decks and ramps for maintenance and operations, the scope and extent of site improvements will be further established in the design review and approval process.
- Site utilities may include: water treatment plant, water storage (~500,000gal.), bulk fuel storage (~250,000gal.), site lighting, power plant for prime power, data/communications, fire protection water storage, and associated piping and conduit; the scope and extent of site utilities will be further established in the design review and approval process.
- Off-site development may include: a lagoon for wastewater treatment and water well, both with associated electrical service, piping, and appurtenances and limited to the size needed to meet applicable codes.
- Allowances for combined water, sewer, and fire water support space up to 1,721gsf, and for power plant space up to 2000gsf are provided beyond the total eligible 34,425gsf.
- The following buildings shall cease to be used for educational purposes in Kivalina and will be demolished or transferred to an eligible entity: McQueen School (370060-01), Storage Building 1 (370060-02), Food Van (370060-04), Maintenance Building (370060-04), Generator Module (370060-06), and Bulk Fuel (370060-07). Hazmat remediation at these facilities will be contingent on available funds.
- Recipient will establish site control through a deed (if land is purchased) or long-term lease and shall hold title to the facility and improvements.

Project Agreement – Budget

- When the project is funded the department will e-mail a “draft” agreement to the responsible person. Don’t sign but review:
- Scope of work
 - Should reflect scope in question 3d of the application
- **Budget**

3. Project Funds - Kivalina K-12 Replacement School

Chapter 38/SLA 15, section 1, page 3, lines 25-26
 Chapter 1/TSSLA 17, section 14, page 19, lines 24-31 - page 21, lines 1-2

Grant Amount (FY16)	\$43,237,400
Recipient's FY16 Participating Share:	\$10,809,350
Grant Amount (FY18)	\$7,238,422
Recipient's FY18 Participating Share:	\$1,809,605
Other Funds	\$0
Project Total	\$63,094,777

4. Project Budget

Cost Category	% of Construction	Total Project Budget
1. Construction Management (by consultant)	1.10%	\$585,000
2. Land	N/A	\$0
3. Site Investigation	N/A	\$1,097,900
4. Design Services	6.84%	\$3,629,270
5. Construction	100.00%	\$53,050,000
6. Equipment	1.43%	\$756,000
7. District Administrative Overhead	2.00%	\$1,060,000
8. Percent for Art	0.50%	\$265,500
9. Project Contingency	5.00%	\$2,651,107
Totals	116.86%	\$63,094,777

Project Agreement - Submittals

- When the project is funded the department will e-mail a “draft” agreement to the responsible person. Don’t sign but review:
- Scope of work
 - Should reflect scope in question 3d of the application
- Budget
- **Submittals required**

PROJECT AGREEMENT

APPENDIX D

SUBMITTAL REQUIREMENTS AND REQUIRED APPROVALS (as applicable)

Item	Agency	Review Only	Review & Approval
1. Annual Report(due July 31)	Department of Education & Early Development	X	
2. Site Selection Report	Department of Education & Early Development		X
3. Educational Specifications	Department of Education & Early Development		X
4. A/E Services Agreement	Department of Education & Early Development	X	
5. Schematic Design Documents	Department of Education & Early Development		X
6. Design Development Documents	Department of Education & Early Development		X
7. Energy Consumption and Cost Report	Department of Education & Early Development		X
8. Construction Documents	Department of Education & Early Development Department of Public Safety (unless local review authority granted) Department of Environmental Conservation		X X X
9. Bid Documents	Department of Education & Early Development		X
10. Building Permit	Department of Education & Early Development	X	
11. Bid Tabulation	Department of Education & Early Development	X	
12. Construction Contract	Department of Education & Early Development Department of Labor (<i>AS 36.05.035 Notification</i>)	X X	
13. Contractor’s Payment/Performance Bond	Department of Education & Early Development	X	
14. Substantial Completion Certificate/ Occupancy Permit	Department of Education & Early Development	X	
15. Release of Liens	Department of Education & Early Development	X	
16. Change Order Log	Department of Education & Early Development	X	
17. Release from Contract	Department of Education & Early Development	X	
18. Preventive Maintenance and Facility Management Documents	Department of Education & Early Development		X
19. Recorded Building Title	Department of Education & Early Development	X	
20. Final Project Accounting	Department of Education & Early Development	X	
Evidence of the construction contractor’s provision of the following items to the appropriate entity.			
21. Corporate Income Tax Clearance	Department of Revenue		X
22. Unemployment Security Tax Clearance	Department of Labor		X
23. Notice of Completion of Public Works	Department of Labor		X

Project Agreement - Final

- When the project is funded the department will e-mail a “draft” agreement to the responsible person. Don’t sign but review:
- Scope of work
 - Should reflect scope in question 3d of the application
- Budget
- Submittals required
- **Once the “draft” agreement is approved by both parties, a formal agreement will be mailed for wet signature. Sign and mail back to the department**

Other items of note in the Project Agreement

- Payment Schedule (Appendix B)
- Budget Category Definitions (Appendix E)
- Value Analysis (Clause 9)
- Project Audit (Clause 10)
 - Final auditable expenditures no later than one year after substantial completion/ beneficial occupancy
- In-house Request (Clause 23)
- Alternative Procurement (Clause 24)
- Funding Termination (Clause 25)
 - Five years from the date of agreement unless granted an extension.
 - Lori gets mean, you will be her pen pal until the project is closed

Project Expenditures

District-funded Capital Project – Work with District Business Office

- Set up a 500 Capital Project Fund
- Track function and object expenditures, including personnel costs
- Ask Department for clarifications
 - Approvals for in-house work force, alternative procurement
- Evaluate for reimbursement application

Figuring Out The Money

- Participating Share
- Determination of in-kind expenses
- Financial Structure

Participating Share

- REAA's: 2%; Municipalities: varies 5% through 35%
- Provide within 3 years
- Sources
 - Fund transfer
 - Bonds (municipalities)
 - Grants, non-AS 14.11 (DEED grants/debt reimbursement programs)
 - In-kind (district labor, materials, equipment)
 - Documentation of prior district-accrued project expenses

Financial Structure

- Determined by Project Agreement
 - Appendix A for approved project budget amounts
 - Appendix E for budget category definitions
- Review draft agreement
- Request amendments from department if needed as project progresses

PROJECT AGREEMENT

APPENDIX E

BUDGET CATEGORY DEFINITIONS

Construction Management: By Consultant (CM) includes management of the project's scope, schedule, quality, and budget during any phase of the planning, design and construction of the facility and full time onsite representation. Consultant CM should include all costs incurred by private consultant to perform the CM work. Refer to AS 14.11.020(c) for the limitations on consultant CM. (DEED Chart of Accounts FC 884, OC 413)

Land includes actual purchase price plus title insurance, fees and closing costs. Land cost is limited to the current fair market value, by appraisal, not to exceed the amount budgeted for land in the project agreement. Land costs are excluded from project percent calculations. (DEED Chart of Accounts FC 882, OC 520)

Site Investigation includes land survey, geotechnical investigation, environmental and cultural survey, and site selection study costs, but not site preparation costs. Site investigation costs are excluded from project percent calculations. (DEED Chart of Accounts FC 882, OC various)

Design Services includes all full standard architectural and engineering services as described in AIA Documents B102-2007, and B201-2007. Additional A/E services such as educational specifications, condition surveys, and post occupancy evaluations should also be categorized as Design Services, however, onsite owner representation and inspections beyond the scope of work described in AIA Documents B102-2007, and B201-2007 should be categorized as CM. (DEED Chart of Accounts FC 883, OC 416)

Construction includes the cost of all material, labor, equipment, and associated expenses required to perform the project's facility construction and site development. Construction costs can be incurred via a competitively awarded contract or, with prior department approval, via the use of in-house labor and procurement of materials per local ordinances. (DEED Chart of Accounts FC 885, OC 500)

Equipment includes all moveable furnishings and instructional devices or aids such as classroom furniture, musical instruments, science lab and physical education equipment and stage/sound equipment. It does not include installed equipment, or consumable supplies, with the exception of the initial purchase of library books. For more information see the DEED publication *Guidelines for School Equipment Purchases*. This item also includes Technology such as electronic and digital equipment with associated software and peripherals such as computers, printers, video projectors, digital cameras, TV/VCRs, telephones, and video cameras. Consultant services necessary to make technology items operational may also be included. (DEED Chart of Accounts FC 886, OC 510)

District Administrative Overhead includes an allocable share of district overhead costs, such as payroll, accounts payable, procurement services, and preparation of the six-year capital improvement plan and specific project applications. It also includes In-House Construction Management (CM) which is similar to CM by Consultant, with the exception that in-house CM includes actual district/borough staff time allocated to the project, staff travel expenses, and other direct costs of the in-house activity. (DEED Chart of Accounts FC 881, OC 528)

Art includes the selection, design/fabrication and installation of works of art. (DEED Chart of Accounts FC 888, OC various)

Project Contingency is a safety factor to allow for unforeseen changes. The use of contingency funds to address budget overruns should be coordinated with the department. No costs shall be accounted for as Contingency expenditures. (DEED Chart of Accounts FC 889, OC [budget account only])

Annual Reports

- Covers activity in prior fiscal year (July 1 – June 30)
- Required annually as long as project is active with DEED
 - Grant reports due July 31
- Provides annual overview of expenses vs. budget
 - Review of annual report is not approval of individual/final expenses
- Provides brief but complete narrative of
 - Prior year activities
 - Next year anticipated activities
 - Explanation of any delays in project schedule
- If extended past 5-year period, more frequent status updates
 - Bi-monthly for grants
 - Semi-annually for debt

Planning and Design

- A/E Selection
- Educational Specification
- Condition Survey
- Standard Design/Bid/Build vs Alternative Delivery
- 35%/65%/95%
 - Drawings
 - Specifications/Narrative
 - Estimate
- Bid/Construction Documents

A/E Selection

- Construction Managers
- Design Consultant
- Educational Specifications

A/E Selection (cont.)

- Send a copy of completed consultant contracts to the department
- Include all schedule milestones, i.e. 35% submittal date
- The department has the ability to require a Construction Management firm for a project

4 AAC 31.065 SELECTION OF DESIGNERS AND CONSTRUCTION MANAGERS

- (a) If a school district determines that it is necessary to engage the services of a private consultant to provide **design, commissioning, or construction management services** for an educational facility with money provided under AS 14.11.011 - AS 14.11.020, or for a project approved for reimbursement of costs under AS 14.11.100, and the estimated cost of the contract is more than \$50,000, the contract shall be awarded to the most qualified proposer after evaluating proposals submitted in response to an approved solicitation. The selection of the consultant shall be accomplished by soliciting written proposals by advertising at least 21 days before the proposals are due by providing notice through **publication in a newspaper of general circulation**. The **department may approve an alternate means of notice** through publication on the Internet if the website has the express purpose of advertising similar solicitations, has unrestricted public access, and is equally likely to reach prospective proposers.
- (b) Nothing in this section precludes a school district from retaining the services of a consultant on an as-needed basis under a multi-year contract, if the term of the contract is not more than five years.
- (c) The school district shall provide a procedure for administrative review of complaints by aggrieved offerors which allows them to appeal, within 10 days after the notice of intent to award, requesting a hearing with notice to interested parties, for a redetermination and final award in accordance with law.
- (d) The department may deny or limit its participation in the costs of design, commissioning, or construction management for a project eligible for grant funding under AS 14.11.011 or for reimbursement under AS 14.11.100 if the school district does not comply with the requirements of this section.

Educational Specifications

- Consultant Can be contracted directly by the district or as a sub-consultant to the design firm
- Educational Specifications SHALL be performed and approved by the department prior to beginning design

Condition Survey

- Often performed prior to submitting CIP application (10 Points)
- Condition Survey-identified facility conditions should be referred to by CIP application question 3d (as applicable to project scope)
- Condition survey should include age of system components and estimate of cost for needed corrections

Standard Design/Bid/Build (DBB) vs Alternative Delivery

- Reference the “Project Delivery Handbook”
- Permission from the department is required
- Qualification Based Selection (QBS) is reserved for extreme instances
- Best Value (BV) must have cost at least 60% of selection-based criteria, of which 50% is Guaranteed Maximum Price (GMP)
- Alternative delivery cannot be used to avoid standard DBB or institute a local preference

35%, 65%, 95% Design

- No reviews shall be completed without all required submittals
- Commencing with the next phase of design without department review and approval is at the district's peril
- Department's goal is to perform review within seven days of submittal (usually sooner)
- Review will include a review checklist and comment spreadsheet. Owner/consultant should review comments on the spreadsheet and respond.
- 35%, 65% and 95% submittals
 - Drawings
 - Specifications (35% alternative: outline and narrative)
 - Estimate

Value Analysis

AGENDA

Thursday, January 9, 2020

8:00 AM	Introduction of VA Team Members
	Summarize Goals for the VA Work Session
	Review Six Phase VA Job Plan: Approach and Methodology
	Step 1 – Information Phase
	Step 2 – Function Analysis Phase
	Step 3 – Creative Phase
	Working Lunch
	Step 3 – Creative Phase (continued)

Friday, January 10, 2020

8:00 AM	Step 4 – Evaluation Phase
	Working Lunch
	Step 5 – Development Phase
	Step 6 – Presentation Phase
4:30 PM	Wrap up and Assignments

Bidding and Construction Documents

- Bid documents can be submitted with 95% submittals and will be reviewed
- Statutory requirements:
 - Local wood products
 - No local hire preference
- Proof of advertising
 - minimum 3 advertising dates
 - 21-day minimum advertising period
- 10-day protest period after notice of intent to award
- Base bid must be within project's construction budget

Construction Phase

- Submittals
 - Bid tabulation
 - Permits
 - Construction contract and Bonds
 - Substantial Completion
- Typical Payment Schedule
 - Payment #7 – Bid tab, construction contract, construction schedule, Bonds and permits
 - Payment #8 – 50% complete certification by AE, RFI log, RFP log and Change order log
 - Payment #9 – Substantial completion or Occupancy permit
- Change Orders
 - Review pages 26-27 of the “Capital Project Administration Handbook” for definitions of additional work and new work. Additional work other than those covered under “a & b” requires department approval. New work is not allowed.

Project Closeout

- Closeout submittals and Final payment #10
 - Release of Liens
 - Final Change order log
 - Release from contract
 - Land Title where applicable
 - Departments of Labor and Revenue clearances
 - Preventive Maintenance (PM) Documents
 - PM Components List
 - PM Schedule
 - Certificate of Training
 - Custodial Care Plan
 - Renewal and Replacement Schedule
 - Final Project Accounting

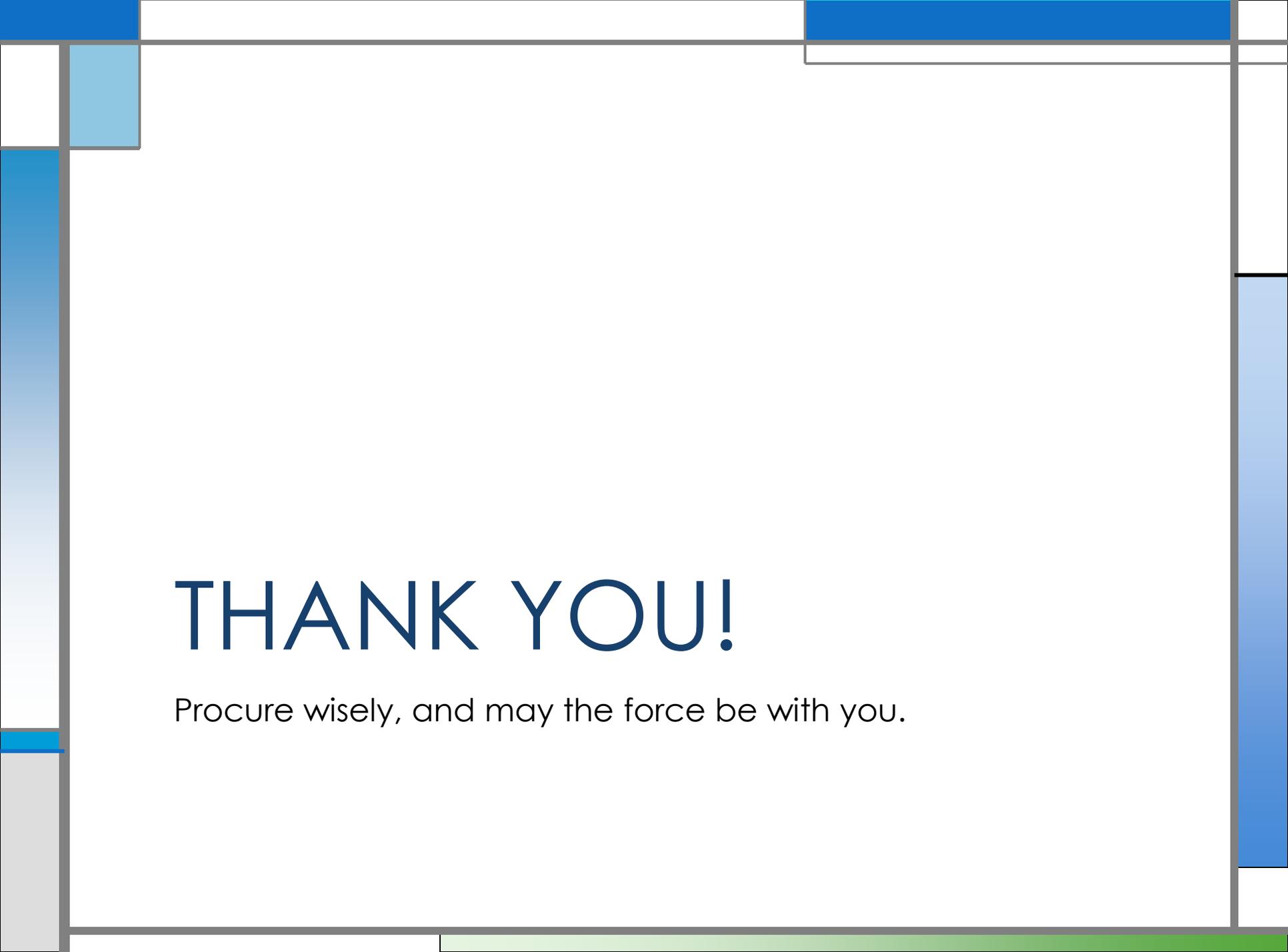
Common Problems in Project Management

- Procurement Issues
 - Both Construction and A/E procurement
 - Most common with Recovery of Funds Projects
 - The department can help with recovery projects from the beginning
 - **“We’re with the government and we are here to help”**
- Not maintaining a reasonable schedule in the beginning and using that for justification of Alt delivery
- Change Orders
 - New work being included in the project as a change order
- CM by Consultant exceeds statutory limit
 - Excess amount is the responsibility of the district. Use of contingency not allowed
- Dept. of Revenue and Labor clearances
 - Districts can request directly
- Planning and Procurement of Percent for Art
- PM Documents

Facilities Staff – Here to Help

- Tim Mearig, Architect/Facilities Manager, 465-6906
- Larry Morris, Architect Assistant, 465-1858
- Wayne Marquis, Building Maintenance Spec. (PM), 465-6928
- Sharol Roys, School Finance Spec. (debt), 465-6470
- Lori Weed, School Finance Spec. (grant), 465-2785

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THANK YOU!

Procure wisely, and may the force be with you.