

NTTA Projects	Original Issue Date: 06/05/2008	CON-06
Resource: Construction	Revision 3 Issue Date: 05/06/2011	Page 1 of 10
Title: Construction Contract Closeout		

1.0 PURPOSE:

The purpose of this procedure is to document the process for closeout of construction contracts to ensure that all specified work has been completed in accordance with requirements of the contract, that all documents of record have been received, and that all financial aspects of the contract are addressed and resolved.

2.0 RESPONSIBILITIES:

- 2.1 Director of Project Delivery – The Director of Project Delivery shall receive construction contract closeout documentation and shall review and approve contract closeout by signing the construction contract closeout checklist.
- 2.2 Project Delivery Construction Manager – The Project Delivery Construction Manager shall review and sign the construction contract closeout checklist.
- 2.3 Prime Contractor – The prime contractor shall be responsible to inform the construction manager in writing when the effort is sufficiently complete to begin contract closeout activities, complete their portion of the closeout checklist and for complying with additional work instructions until final acceptance is achieved.
- 2.4 Corridor Manager (CM)/Project Manager – The CM or Project Manager shall receive and review construction closeout documentation and checklist from the Construction Manager. The CM or Project Manager shall sign the construction closeout checklist.
- 2.5 Construction Manager/Resident Engineer – If this role is contractually assigned, the construction manager shall be responsible for the following, if this role is not contractually assigned, then the Resident Engineer shall assume these responsibilities. The Resident Engineer shall be responsible to oversee the final inspection activities on the project and shall be responsible to certify and seal the final inspection report and forward on to the Construction Manager (if one exists) for recommendation for acceptance. The construction manager shall be responsible for the day-to-day communication between the NTTA and the prime contractor, concerning implementation of this procedure. The construction manager shall participate in pre and final inspection activities. The construction manager shall recommend the Final Inspection Report for acceptance as indicated by signature. The construction manager shall be responsible to maintain all project records and shall furnish required documentation to the NTTA upon completion of the physical work to support closeout activities. The construction manager shall have authority to give additional work direction to achieve final acceptance. The construction manager shall provide information concerning liquidated damages or incentive payments. The construction manager shall be responsible to generate and compile all contract closeout documentation, including compilation of detailed and accurate record drawings, and the completed closeout checklist, contractor performance evaluation form, and to certify completion of work and verification of records. The construction manager shall be responsible to prepare closeout documents and sign the closeout checklist.
- 2.6 NTTA Project Delivery Contracts Manager- The Project Delivery Contracts Manager has the authority and shall be responsible for ensuring compliance with and maintaining this procedure. The Project Delivery Contracts Manager shall review and recommend approval of the contract closeout documents.

NTTA Projects	Original Issue Date: 06/05/2008	CON-06
Resource: Construction	Revision 3 Issue Date: 05/06/2011	Page 2 of 10
Title: Construction Contract Closeout		

- 2.7 NTTA Maintenance Staff – NTTA Maintenance Staff shall participate in pre and final inspection activities and shall have the opportunity to provide input to punch list activities.
- 2.8 NTTA Contracts Management – Contracts management shall be responsible for accepting completed and certified contract closeout documents, routing through Insurance and Business Diversity, executing closeout activities on the part of NTTA and for providing a copy of accepted contract closeout documents to Program Support Staff.
- 2.9 Project Delivery Document Control – Project Delivery document control shall upload the executed closeout checklist and attached documents to EPDS Project Records repository.
- 2.10 Project Delivery Program Support Staff – Project Delivery Program Support Staff shall be responsible for reviewing closeout documents for completeness and routing closeout documents through the approval process.

3.0 SCOPE/APPLICABILITY:

This procedure shall apply to all construction projects within the NTTA Project Delivery department.

4.0 REFERENCES:

N/A

5.0 DEFINITIONS & ACRONYMS:

6.0 PROCEDURES:

This procedure specifies the administrative and procedural requirements for construction contract closeout, including, but not limited to, completion of physical work, submission of records, closeout meeting, preparation of record drawings and contract closeout activities.

6.1 Completion of Physical Work

- 6.1.1 The prime contractor shall provide written notice to the construction manager when, in the opinion of the prime contractor, the work is complete except for minor omissions or deficiencies relegated to a punch list, in accordance with the contract documents. Along with the notification, the prime contractor shall provide a description of any remaining work, including any remaining open NCRs, and the prime contractor’s schedule for the completion of such work.
- 6.1.2 Upon receipt of the prime contractor’s request, the construction manager shall schedule the pre-final inspection of the work, or the specific part thereof, or shall advise the prime contractor of the deficiencies that must be completed prior to the inspection.

NTTA Projects	Original Issue Date: 06/05/2008	CON-06
Resource: Construction	Revision 3 Issue Date: 05/06/2011	Page 3 of 10
Title: Construction Contract Closeout		

The inspection team shall include the construction manager, members of the NTTA Project Delivery and Maintenance departments and other appropriate NTTA representatives as dictated by the project scope.

- 6.1.3 The pre-final inspection shall be repeated upon receipt of a written request for such re-inspection from the prime contractor including the prime contractor's assurance that any deficient or otherwise unfinished work has been completed. Upon completion of all items on the punch list, the prime contractor shall request the final inspection.
- 6.1.4 Upon the successful completion of the final inspection, the construction manager shall prepare the final inspection report, CON-06-F2, to be sealed by the Resident Engineer, and signed by the construction manager (if one exists), CM/Project Manager, Project Delivery Construction Manager and the Director of Project Delivery.

Final Acceptance – Final acceptance occurs when the NTTA has determined that the prime contractor has satisfactorily completed all physical work, including all clean up and the removal of temporary protection and signage, and other temporary facilities. The only work remaining following final acceptance shall be limited to final payment and the release of liens.

6.2 Submission of Quality Records

- 6.2.1 Project Record Drawings – The construction manager shall maintain at the job or work site a complete set of construction documents, including Record Drawings, shop drawings and record specifications. The construction documents shall be marked to show the actual installation where the installation varies from the work as originally shown. Throughout completion of the physical work, the construction manager shall maintain an up-to-date copy of the marked-up construction documents and all other project record documents specified in the contract. The construction manager shall ensure the completeness and acceptability of all project record documents. If the construction manager determines that the project record documents are incomplete or inaccurate or otherwise unacceptable, then the construction manager shall promptly address such deficiencies. At the conclusion of the construction project, the construction manager shall upload all Project Record drawings to the NTTA's project record repository, and ensure that updated mylars are provided to the NTTA.

6.3 Training, Operating and Maintenance Manuals, Test and Start-up Procedures – The prime contractor shall develop the personnel training programs, including the production and delivery of the operating and maintenance manuals for all equipment provided as required by the contract.

- 6.3.1 The prime contractor shall be responsible for training of NTTA personnel, as set forth in the contract. The prime contractor shall provide operating and maintenance manuals to the NTTA for review and approval to support the schedule for training in the contract. The prime contractor shall prepare and submit for approval a commissioning program, including any required test and start-up procedures.

NTTA Projects	Original Issue Date: 06/05/2008	CON-06
Resource: Construction	Revision 3 Issue Date: 05/06/2011	Page 4 of 10
Title: Construction Contract Closeout		

6.3.2 The construction manager shall be responsible for the coordination of all NTTA reviews of the prime contractor's proposed training, operating and maintenance manuals, and the commissioning of the work. The construction manager shall be responsible for the completeness and acceptability of all such manuals and information.

6.4 Warranties and Guarantees – The contract provides that the start of the warranty period for all work, including all equipment furnished pursuant to the contract, shall begin with the effective date of the certificate of final inspection as indicated on CON-06-F2. The prime contractor shall also obtain and assign, for the benefit of the NTTA, all other applicable warranties and guarantees for the work of others or for equipment furnished under the contract.

6.4.1 The prime contractor shall either perform or arrange for the performance of any warranty work specified in the contract. The prime contractor shall submit warranties/guarantees within the time specified in the contract but not later than the date on which the NTTA shall release final payment.

6.5 Closeout Meeting – The Construction Manager shall hold a closeout meeting with the prime contractor to discuss and resolve all open matters regarding the prime contractor's performance on the contract, including the reconciliation of any outstanding nonconformance reports (NCRs), liens and claims, etc. This meeting shall be concurrent with the contractor's request for final payment. Minutes of this meeting shall be maintained and included in closeout documents.

6.6 Liquidated Damages and Incentives – The NTTA shall be the sole party to determine whether liquidated damages shall be applied to any failure by the prime contractor to achieve a contractually required completion date. The NTTA shall provide the prime contractor with written notice of the NTTA's intent to assess liquidated damages. Under contracts where incentives for early completion are specified, the construction manager shall document the satisfaction or failure to achieve related work requirements, and recommend to NTTA the payment of such early completion incentives when the contractor satisfies required construction milestones. Liquidated damages shall be documented using CON-06-F3 Time Charge Statement form.

6.7 Request for Final Payment – After all required elements from the checklist are complete, with the exception of the final payment request and MWSDBE Final Utilization Report, the prime contractor may request the final pay request. The prime contractor's request for final payment shall include the following:

- A final payment request, which shall be processed by the construction manager after achieving concurrence to final quantities, accounting for the final changes to the contract price;
- A final and unconditional release of all liens from the prime contractor, all subcontractors and suppliers;
- Final Payment shall be made in accordance with the contract specifications;
- Since the contract specifications state that retainage on subcontractors' work shall be paid within 10 days after satisfactory completion of their work, prime contractors will be able to make final payment to

NTTA Projects	Original Issue Date: 06/05/2008	CON-06
Resource: Construction	Revision 3 Issue Date: 05/06/2011	Page 5 of 10
Title: Construction Contract Closeout		

all subcontractors and submit form 4908, MWSDBE Final Utilization Report, prior to, or along with, the final payment request.

6.8 Contract Closeout Approval and Notification – During the contract closeout phase, the construction manager shall update the construction contract closeout checklist, *CON-06-F1*, as items are completed and shall record the dates of completion. The Construction Manager shall complete the contract closeout checklist (*CON-06-F1*) and other forms/documents (*CON-06-F2* Final Inspection Report, *CON-06-F3* Time Charge Statement, *CON-06-F4* Final Summary of Material Tested, *CON-06-F5* Summary of Failing Tests, *CON-06-F6* Explanation of Under-Run/Over-Run) as needed, attach all required documentation, as specified by the checklist, certify the work complete and sign the checklist. The Construction Manager shall then present the closeout checklist with attached documents to the Program Support Staff.

- 6.8.1 The Corridor Manager or Project Manager shall review the construction contract closeout documents, shall sign the construction contract closeout checklist as well as the Final Inspection Report. The Corridor Manager or Project Manager shall forward the closeout documentation to the Project Delivery Program Support Staff for routing to the Project Delivery Construction Manager.
- 6.8.2 Upon verification of completion of all contract requirements, including resolution of all open technical matters, and release of final payment, the Project Delivery Construction Manager shall sign the Final Inspection report and the completed checklist and return the documents to the Project Delivery Program Support Staff, who shall forward the documents to the NTTA Project Delivery Contracts Manager.
- 6.8.3 The Project Delivery Contracts Manager shall review the package for completeness and upon approval the NTTA Project Delivery Contracts Manager shall sign the closeout checklist and return to the Project Delivery Program Support Staff who shall forward the completed closeout documentation to the Director of Project Delivery.
- 6.8.4 The Director of Project Delivery shall approve final closeout and shall issue a letter of acceptance from the NTTA to the prime contractor.
- 6.8.5 The completed contract closeout checklist and associated attached documents shall be provided to Contracts Management for review and routing through Insurance and Business Diversity. Contracts Management shall return a copy of the executed closeout package to Project Delivery Program Support Staff who shall make a copy for the Construction Manager and the NTTA Maintenance department and shall forward the documents to Project Delivery Document Control for project records archival.

7.0 REGULATORY REQUIREMENTS:

N/A

NTTA Projects	Original Issue Date: 06/05/2008	CON-06
Resource: Construction	Revision 3 Issue Date: 05/06/2011	Page 6 of 10
Title: Construction Contract Closeout		

8.0 RELATED BOARD POLICY:

- [NTTA Policy Regarding the Procurement of Goods and Services and Disposition of Property](#) (the “Policy”)
- [NTTA Procedures Regarding the Procurement of Goods and Services and Disposition of Property](#) (the “Procedures”)

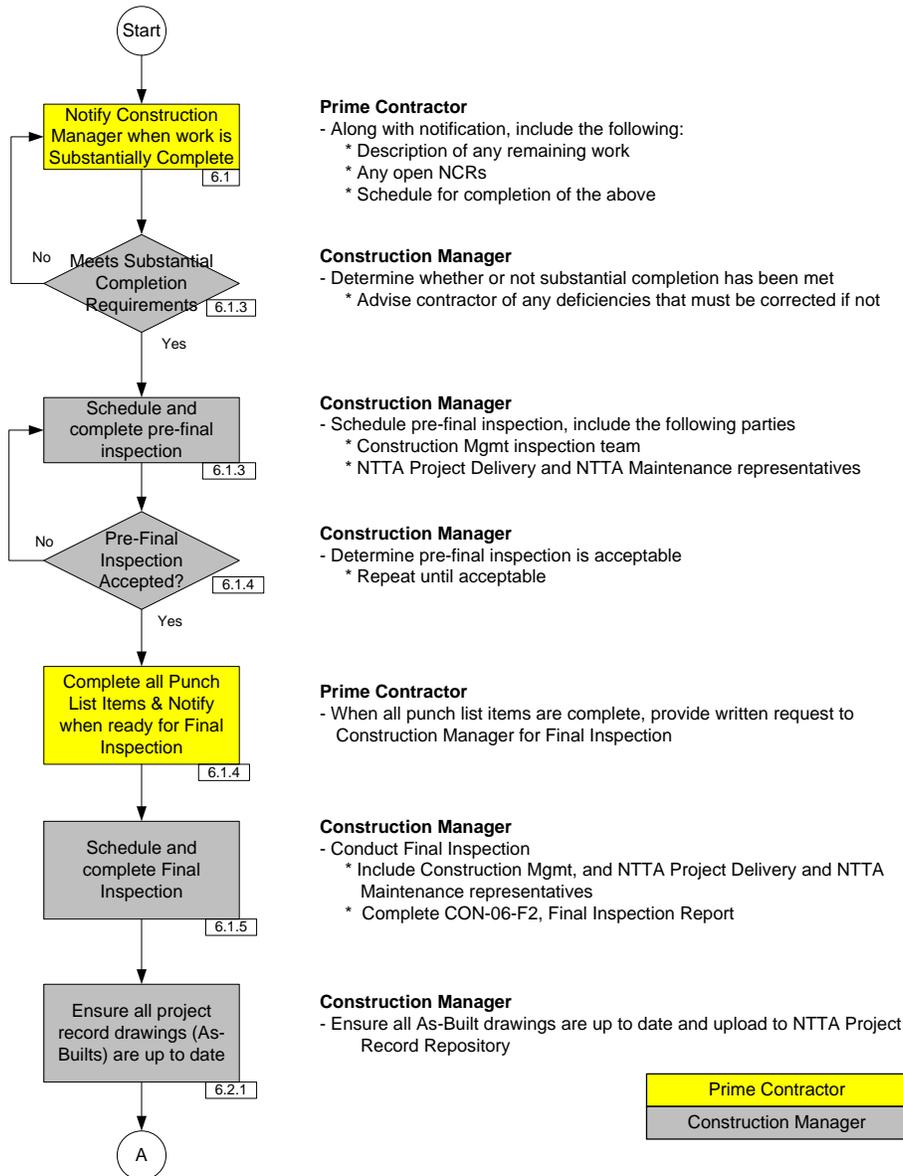
9.0 COMPONENT DOCUMENTS:

- [CA-04-F2](#) Contractor Performance Evaluation Form
- [CON-06-F1](#) Construction Contract Closeout Checklist
- [CON-06-F2](#) Final Inspection Report
- [CON-06-F3](#) Time Charge Statement
- [CON-06-F4](#) Final Summary of Material Tested
- [CON-06-F5](#) Summary of Failing Tests
- [CON-06-F6](#) Explanation of Under-Run/Over-Run

NTTA Projects	Original Issue Date: 06/05/2008	CON-06
Resource: Construction	Revision 3 Issue Date: 05/06/2011	Page 7 of 10
Title: Construction Contract Closeout		

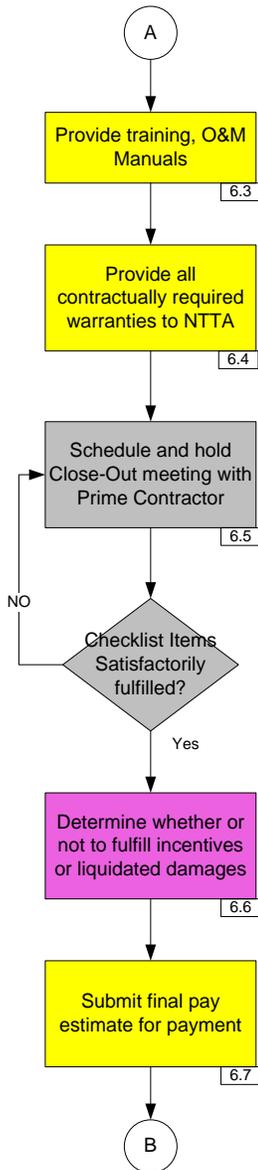
10.0 FLOWCHART:

Construction Contract Closeout
CON-06



NTTA Projects	Original Issue Date: 06/05/2008	CON-06
Resource: Construction	Revision 3 Issue Date: 05/06/2011	Page 8 of 10
Title: Construction Contract Closeout		

Construction Contract Closeout CON-06



Prime Contractor:

- Provide any contractually required training programs, operation and maintenance manuals, etc.
- Construction Manager to coordinate NTTA review of above

Prime Contractor:

- Provide all contractually required warranties and guarantees to NTTA
 - Including warranties for work performed by subs
 - Including warranties for all equipment provided under the contract

Construction Manager:

- Hold Close-Out meeting with Prime Contractor, cover:
 - Resolution of any open issues
 - Prime Contractor's performance
 - Reconciliation of open NCRs
 - Resolution of liens or claims
- Maintain minutes of this meeting
- Review items on Construction Contract Closeout Checklist CON-06-F1

Construction Manager:

- Review items on Construction Contract Closeout Checklist CON-06-F1 and repeat till successfully completed.

Director of Project Delivery:

- Based upon recommendation of Construction Manager
- Documented using CON-06-F3

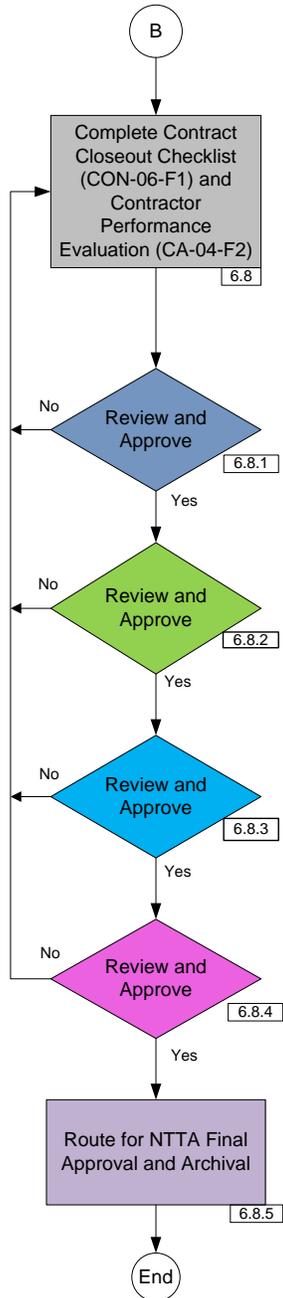
Prime Contractor / Construction Manager:

- Submit final pay estimate in accordance with contract specs including:
 - All final changes to the contract price;
 - A final and unconditional release of all liens from the prime contractor, all subcontractors and suppliers;
 - Submit form 4908, MWSDBE Final Utilization Report, prior to, or along with, the final payment request.

Prime Contractor
Construction Manager
Director of Project Delivery

NTTA Projects	Original Issue Date: 06/05/2008	CON-06
Resource: Construction	Revision 3 Issue Date: 05/06/2011	Page 9 of 10
Title: Construction Contract Closeout		

Construction Contract Closeout CON-06



Construction Manager:

- Complete Contract Closeout Checklist (Verify all attachments)
- Complete Contractor Performance Evaluation
- Sign and Date all entries
- Route to Program Support Staff

The following forms are inputs into CON-06-F1:

- CON-06-F2 Final Inspection Report
- CON-06-F3 Time Charge Statement
- CON-06-F4 Final Summary of Material Tested
- CON-06-F5 Summary of Failing Test
- CON-06-F6 Explanation of Over-Run/Under-Run

Corridor/Project Manager:

- Review Checklist and all attachments for completeness and accuracy
- Review for fulfillment of contractual responsibilities
- Sign and Date all entries
- Route to Program Support Staff

Project Delivery Construction Management Oversight:

- Review Checklist and all attachments for completeness and accuracy
- Review for fulfillment of contractual responsibilities
- Sign and Date all entries
- Route to Program Support Staff

Project Delivery Contracts Manager:

- Review Checklist and all attachments for completeness and accuracy
- Sign and Date
- Route to Program Support Staff

Director of Project Delivery:

- Review Checklist and all attachments for completeness and accuracy
- If approved, prepare and sign Letter of Final Acceptance to Contractor
- Route to Program Support

NTTA Contracts Management:

- Route to BDD and SIM for approval
- Sign for final acceptance by NTTA
- Return an executed copy of checklist and attachments to Program Support Staff

Construction Manager
Corridor/Project Manager
Project Delivery Construction Mgmt Oversight
Project Delivery Contracts Manager
Director of Project Delivery
NTTA Contracts Management

NTTA Projects	Original Issue Date: 06/05/2008	CON-06
Resource: Construction	Revision 3 Issue Date: 05/06/2011	Page 10 of 10
Title: Construction Contract Closeout		

11.0 REVISION HISTORY:

Revision	Revised by:	Date Issued	DRN	Reason for Revision
0	John Woelfel	06/05/2008		Original Issue
1	John Woelfel	09/18/2008		Changed reference to CON-06-F1 Construction Contract Closeout Checklist, clarified responsibilities of construction manager, and clarified approval process of contract closeout documentation.
2	Mike Hutchison	10/12/2010	10242	Deleted Guiding Principle, significant edits for clarification in 2.0 Responsibilities, 3.0 Scope/Applicability and 6.0 Procedures. Added forms CON-06-F2 thru CON-06-F6 to 6.0 Procedure and 9.0 Component Documents, added flowchart.
3	David Kastendick	05/06/2011	10281	No change to process, but adjusted titles to current NTTA structure for procedure and forms CON-06-F1, F2 and F3.