

**CHAPTER H:
PRE-CONSTRUCTION &
CONSTRUCTION ACTIVITIES**

H.1 PRE-CONSTRUCTION ACTIVITIES

Once the contract has been awarded, several activities to be performed before construction can begin.

H.1.a Certifications and Assurances

Ensure that all Equal Opportunity Certifications, Section 3 Certifications, Certification of Bidder Regarding Debarment, Suspension, Ineligibility and Voluntary be completed. These completed forms should have been included with the bid package for TNECD approval for the prime contractor. These forms should remain bound in the contract document upon completion and kept in the grantee's file. The prime contractors should be made aware that all subcontractors must complete the Equal Opportunity Certifications and Section 3 Certifications also.

All bonding and insurance provisions must be met as required in the contract. These documents should be attached to the contract document and submitted to TNECD with the bid tabs.

H.1.b The Pre-Construction Conference

A pre-construction conference should be conducted with the prime contractor and all available subcontractors and lower-tier contractors in attendance. In addition, the individual responsible for preparing the payrolls should be encouraged to attend. Close attention should be paid to issues and questions involving labor and payrolls. Keep an accurate record of all items discussed at the meeting.

Cover all labor and payroll issues as shown:

1. Explain to the contractors their responsibilities with respect to labor standards and equal opportunity requirements, as well as the technical job requirements.
2. Explain that each contractor and subcontractor must submit weekly payrolls and statements of compliance signed by an office of the company. The prime contractor is responsible for securing payrolls and statements of compliance from all subcontractors.
3. Any change to the contract after the fact between the grant recipient and the contractor will require following the formal contract addendum process.
4. Explain wages paid must conform to or exceed the wage rate decision included in the contract.
5. For all Davis Bacon Requirements to be discussed at the Pre-construction conference, see the Labor Chapter.

H.1.c. Notices

The following are required documents for compliance during this phase of the project:

- The “Notice of Contract award and Pre-Construction Conference” (Exhibit H-2) must be submitted to TNECD at least 10 days prior to the pre-construction conference being held. If less than 10 days is needed, a waiver must be requested to TNECD. TNECD will send a letter indicating what must be covered during the pre-construction conference.
- Prepare the “Pre-Construction Conference Report” (Exhibit H-3). This report is to be signed by the prime contractor as proof that he/she attended the pre-construction conference and all items documented in the minutes were covered at the meeting. This is to be kept in the monitoring file.
- “Notice to Proceed” (Exhibit H-4) authorizes the contractor to begin work on a designated date. Send a copy to the contractor. Retain a copy of the city/county files signed by the contractor indicating that he/she was properly notified.

- Notice of Start of Construction (Exhibit H-5) informs TNECD that construction will begin on a designated date and how many working days are allowed. Send a copy to TNECD before construction begins.
- Contractor/Subcontractor Activity Report (Exhibit H-1) should be submitted to TNECD within 30 days after the Pre-Construction Conference is conducted. This form must be completed for all prime contractors and subcontractors for the project as well as for engineers and private administrators. Any time additional contractors are added to the project, this form should be updated and submitted to TNECD.

H.2 CONSTRUCTION

H.2.a Scope Changes

Projects are approved based upon the information in the application; therefore, changes in the scope of the project must be approved by TNECD before any work is done.

A scope change is defined as anything that expands or alters the original design, intent, cost, or area of service of a project. Additionally, if the combined change orders for the project total 25% or more of the cost of construction, the result will be a scope change, and the project or additional work may have to be rebid.

A formal, written request from the grantee must be submitted to TNECD for all scope changes. The request should include a map showing the change, a summary of the households to be served, including LMI households, a cost estimate with justification from the engineer explaining why the change is necessary, and information detailing how the changes will be funded. TNECD will review the request, and if it determines the changed project would have been funded under the application criteria, the change will likely be approved.

NOTE: *Grantees must never proceed with the requested changes until written approval from TNECD is received. Scope changes may require an additional environmental review or an addendum to the environmental review as well as the possibility of a contract amendment.*

When communities request a scope change, the contract should be referenced to see if an amendment is required. If required, work cannot begin until the amendment is approved. Major reductions in the scope of the proposed work can result in adverse State action (i.e. grant reduction or termination or a finding of ineligibility for subsequent funding).

H.2.b Change Orders

Change orders are alterations from previously approved documents that require a modification (an increase or decrease) in project cost, engineering charges, quantity, or schedule. For example, if the number of linear feet installed on a water line is greater or less than bid, a change order is required to adjust the quantities.

- Change orders should be used sparingly and only when necessary.
- The project must remain within the contracted amount or additional non-CDBG funds should be allocated to the project.

Change orders with justification for the needed change by the engineer must be submitted to TNECD for approval. TNECD prefers that change orders be submitted by the grant administrator but will accept them from the grantee or engineer. If submitted by the grantee or engineer, ensure the administrator aware of the changes being requested and the documentation presented. Approval must be granted by TNECD prior to work being done. A budget revision must be submitted to the TNECD fiscal office after the change order is approved. If a change order results in a scope change, the required scope change documentation must be submitted with the change order documentation.

Final adjusting change orders are submitted near the completion of a project to reconcile final quantities installed. If the quantities are not significant changes and there are no new items, this change order does not need to be approved by TNECD before the work is completed.

If a grantee plans to request payment before completion of a project, a change order approving any increase in installed quantities must be approved or the request cannot be paid. Change orders that require more than one funding agency's approval must be approved by all agencies before the work can begin. It is important to remember that if CDBG funds are any part of a project, then the CDBG rules and regulations apply to the entire project. Therefore, change orders for any part of a project, even a part not funded by CDBG must be approved by TNECD.

H.2.d Force Account Work

Force account labor occurs when municipal or county employees are used to complete construction work rather than the work being completed by a contractor. For force account labor to be approved, the municipality must own the equipment and the municipality's forces must do the work. For information and details on using force account labor refer to "Chapter I: Labor".

NOTE: *In order to perform force account work, the grant recipient must own the equipment, use city or county forces, and obtain State approval by submitting the following information:*

The following is required for justifying the use of force account labor:

1. Names and engineering qualifications of personnel performing the work and their capabilities for design, supervision, planning, inspection, testing, etc. as applicable.
2. Details of experience with projects of like or similar nature.
3. Information on workload (as it may affect capacity to do the work within timeframe or work scheduled).
4. Justification for doing the work by force account rather than by contract.
5. A complete breakdown showing:
 - a. the number of work hours and cost per hour for each category of labor, and
 - b. a list of non-salary costs such as materials, supplies, equipment, etc.
6. Certification from the above-mentioned personnel's supervisor that they are full time city/county employees and have not been hired just for this project.
7. Certification that the equipment to be used is owned by the county/city and is not rental equipment.
8. Project Engineer certification of force account utilization. (signature on force account request).

H.3 CONSTRUCTION COMPLETION

Prior to closeout, inspection and acceptance of the work of construction and making the final payment is required including involving the completion of the following tasks:

- A certification of completion of work and a request for final payment should be submitted by the contractor to the grant recipient’s engineer/architect.
- A final inspection should be arranged.
- A final inspection report should be submitted by the architect/engineer to the grant recipient.
- All labor compliance activities must be completed, including:
 - Viewing all weekly payrolls and statements of compliance;
 - Resolving all interview discrepancies;
 - Satisfying all equal opportunity requirements;
 - Receiving all contractor/subcontractor certifications;
 - Resolving all monitoring findings;
 - Resolving all claims and disputes involving the contractor;
 - Completing all files and filing as-built plans.

H.4 PRE-CONSTRUCTION & CONSTRUCTION EXHIBIT LIST

- H-1 Contract and Subcontract Activity Report (HUD-2516)
- H-2 Notice of Contract Award and Pre-Construction Conference
- H-3 Pre-Construction Report
- H-4 Notice to Proceed
- H-5 Notice of Start of Construction