



## A-12 – CONSTRUCTION CONTRACTOR PROCUREMENT & CONTRACT TYPES

### A-12.1 - Construction Contracts

Construction Manager-at-Risk and Construction Manager-as-Agent are the preferred contracting methods for large capital projects. It is the policy of the University to select Construction Manager-at-Risk for State capital improvement projects as defined in G.S. 143-128.1 and G.S. 143-128.2 on project specific criteria.

Construction Manager-at-Risk has been authorized as an approved Construction procurement method. The State Law may be accessed in its entirety at [www.ncleg.net](http://www.ncleg.net) and searching for 'Senate Bill 914/S.L. 2001-496'. Consideration of the Construction Manager at Risk construction procurement method is encouraged for projects costing \$5 million or more. The Construction Manager undertakes to act as the Owner's fiduciary and to furnish professional construction management services during the design and construction phases of the project.

#### Forms of Delivery

1. Single/Prime Contract

The single contract is the most commonly used contract type. Plans and specifications are prepared by the design professional and become part of the bidding documents. A single contractor is then selected by the University to perform the work. The standard Long Form, Short Form, and Brief Form construction documents have been prepared for those cases where a single contract is awarded.

Samples of construction documents developed for CMR/Agent and Single Prime contracts are available from the [State Construction Website](#).

2. Construction Manager-at-Risk (or as Agent)

Once Facilities Planning has chosen the Construction Manager Delivery method, the University will advertise and select a Construction Manager during the initial stages of the project's design. The Construction Manager will be contracted to provide Pre-Construction Services, and thus will attend regularly scheduled meetings with the Project Designer and other consultants to advise on matters relating to site use, improvements, selection of materials, building methods, construction details, building systems and equipment, and construction phasing and sequencing. The Construction Manager will work closely with the University's Commissioning Coordinator to plan and schedule staff training and equipment testing.

#### *Guaranteed Maximum Price*

Shortly after the submission of the construction documents to the State Construction Office for final review, the Construction Manager will develop and provide to the Owner a Guaranteed Maximum Price, which will include all construction costs, and all other projected costs including the Construction Manager's fees, the Guaranteed Maximum Price contingency and General Conditions Allowance. The Guaranteed Maximum Price will set out each anticipated trade contract amount, the Construction Manager's fixed fee, General Conditions reimbursable costs items including on-site field staff, and all project related costs.

#### *Construction Phase Services*

During the Construction Phase, the Construction Manager will provide services as required to affect the complete construction of the Project and to maintain the established Guaranteed Maximum Price of the Project.



## A-12.2 - Capital Project Construction Contracts

UNC Chapel Hill utilizes several forms of construction contracts for scopes of work including: general construction; installation of equipment; moving or storage of equipment, furniture, or other materials. Procurement of specialty Equipment and Furniture falls under the UNC State Procurement Guidelines for public, competitive pricing, unless a sole-source authorization process is pursued.

### Construction Contract Types

Project Managers from Facilities Planning & Design and Construction managers from Facilities Construction Management coordinate four distinct contract documents as approved by OUC and SCO for engaging contractors for capital projects.

1. Sole Source Justification Letter

For any Contractor, Sole Source Selection is allowed if Contract Value is <\$30,000

PM/CM must provide written justification to substantiate a waiver of competition by the University. It is recommended that the PM/CM consult with Sid Stone or Greg Driver to validate the waiver of competition, prior to completing required forms.

2. Informal Construction Contract (ICC)

For all Contractors with a project value <\$500,000. Signature approval is by UNC-Facilities. All Change Orders, as needed, shall follow the same workflow as the Agreement.

3. Standard Construction Contract (Download Project)

For all Contractors with a project value >\$500,000 and <\$2,000,000. Signature Approval by the System Office (formerly General Administration), followed by UNC-Facilities. All Change Orders, as needed, shall follow the same workflow as the Agreement.

4. State Construction Office (SCO) Construction Contract (SCO full oversight project)

For all Contractors with a project value >\$2,000,000. Signature Approval by State Construction Office, followed by UNC-Facilities. All Change Orders, as needed, shall follow the same workflow as the Contract.



### A-12.3 – Historically Underutilized Businesses

#### General

UNC Chapel Hill abides by G.S. 143-128.2 which has a verifiable 10% goal for participation by minority or socially and economically disadvantaged businesses in the total value of work for each State building project.

Minority is defined as a citizen or lawful permanent resident of U.S. who is: Black, Hispanic, Asian American, American Indian or Female. Socially and economically disadvantaged person is defined by 15 U.S.C 637. To be considered toward the statutory goal of 10%, minority businesses must be **certified with the State HUB Office**.

- To verify certification prior to submitting a bid package, please go to <https://www.ips.state.nc.us/vendor/searchvendor.aspx?t=h>
- If not currently certified, it is recommended that minority businesses become certified with the State HUB Office by going to <https://ncadmin.nc.gov/businesses/hub/hub-certification>

Designers, Contractors and Subcontractors are reminded to carefully read the State Minority Guidelines and forms that are in the specifications. Each has responsibilities outlined within. The Designer is to review the information and links to web sites listed under <http://facilities.unc.edu/historically-underutilized-businesses/>. regarding the University's commitment to recruit and select minority businesses for participation in University construction contracts.

Designers are encouraged to advertise public bids for construction contractors in newspapers that satisfy the requirements of the [North Carolina Construction Manual for HUB](http://www.doa.nc.gov/hub/documents/cmanual.pdf) (<http://www.doa.nc.gov/hub/documents/cmanual.pdf>).

#### Bid Process

Contractors shall submit with their formal bids prior to Bid Opening:

- For **ALL** Construction Contracts
  - **Identification of HUB Certified/Minority Business Participation Form**  
If this form is not submitted with the bid package than the bid shall be deemed **non-responsive**.
  - **Either:**  
State of NC **Affidavit A – Listing of Good Faith Efforts (must total 50 points for bid to be considered responsive)**

-or-

State of NC **Affidavit B – Intent to Perform Contract with Own Workforce**

**\*If the Identification of HUB Businesses Form and Affidavit A or Affidavit B are not submitted with the bid, then the bid shall be deemed non-responsive.**



After the Bid Opening, upon being named the apparent lowest responsible, responsive bidder, contractors shall provide one of the following:

State of NC **Affidavit C** – ***Portion of the Work to be Performed by HUB Certified/Minority Businesses*** provide within 72 hours [business days] if the work to be executed by HUB firms is **equal to or greater than 10%** of bidder’s total contract price.

-or-

State of NC **Affidavit D** – ***Good Faith Efforts*** provide if work to be executed by HUB firms is **less than 10%** of bidder’s total contract price. **All evidentiary documents to prove Good Faith Efforts as outlined in paragraphs A-I on the form must also be provided.**

During Construction, contractor will submit with each pay application:

**UNC Chapel Hill Appendix E**

Any specific questions regarding HUB guidelines or forms, please contact Tanya Vogel at [tjvogel@fac.unc.edu](mailto:tjvogel@fac.unc.edu), 919-843-1424.