# Technical Services Requirements for Monitoring Project Construction

Whether the NJHMFA is making a permanent take-out loan or a construction and permanent loan, it requires that its Technical Services Division monitor the construction of the project. Listed below are the NJHMFA requirements. Please read carefully, and be prepared to provide the necessary documentation and cooperation.

## Contract Documents

Those documents that comprise a construction contract, the owner/developer-contractor agreement, conditions of the contract (general, supplementary, and other conditions), sealed, final construction/permit plans and specifications, all addenda, modifications, and changes thereto, together with any other items stipulated as being specifically included.

## Architect's Contract

That document that outlines the performance of architectural services, including analysis of project requirements, creation and development of the project design, preparation of drawings, specifications, bidding requirements, and the general administration of the construction contract. As the owner/developer's representative, the design professional should participate in the process by observing and administering the contract for construction including job site inspection, attendance at job site meetings, the creation of meeting minutes, shop drawing review, change order review, punch list inspections, and so on.

## Summary Trade Payment Breakdown

This document divides the total cost of construction, as established by the construction contract, into various segments related to a specific trade. This "breaking down" of the total cost of construction is reflected on the application for payment and simplifies the determination of a percentage of work complete for the purpose of making payments to the contractor.

## Detailed Trade Payment Breakdown

This document further divides and refines the Summary Breakdown above into its constituent parts. For example, the plumbing line on the summary breakdown would be further developed to show its component parts including potable and nonpotable water piping, sanitary piping, gas piping, toilet and bath fixtures, kitchen fixtures, and so on. This detailed information further enhances our ability to review project costs as well as to determine a percentage of work complete for the purpose of making payments to the contractor. Campus style projects shall have each CSI division broken down by building.

## Shop Drawings

These documents can be drawings, diagrams, illustrations, schedules, performance charts, brochures, and other data prepared by the contractor or any subcontractor, manufacturer, supplier, or distributor, which

illustrate specific portions of the work and how they will be fabricated and installed. The contract documents usually allow for a number of choices in many portions of the work. The shop drawings are the approved choice of the owner/developer, their professional and consultants, and become the reference for Agency inspections during construction.

**Payment Requisitions**

The contractor prepares the application according to the approved Summary Trade Payment Breakdown or Schedule of Values. The contractor submits it to the design professional for approval. The design professional reviews the application in light of his/her own observations and records and certifies an amount that he/she feels is appropriate. If the HMFA is providing construction financing, the application for payment shall be provided on the AIA G702 & 703 forms, and shall be reviewed and approved by the assigned Field Representative, and the Director of Technical Services. Otherwise, the requisition is provided for information purposes only.

**Change Orders**

A written order to the contractor signed by the owner and the architect, issued after the execution of the contract, authorizing a change in the work, and/or an adjustment in the contract sum. These changes may add to, subtract from, or vary the scope of the work. Change orders may also be used to adjust the contract time as originally defined by the contract documents. If the Agency is providing construction financing, change orders shall be accompanied by justification prepared by the design professional, and shall be approved by the assigned Field Representative and the Director of Technical Services. Otherwise, any change orders are provided for informational purposes only.

**Drawing Revisions and/or Clarification Sketches**

The design professional, as the author of documentation that delineates the final design of the project, is the appropriate administrator of decisions regarding their interpretation. Often, this interpretation and clarification is provided to the contractor in the form of revised drawings with "clouded" areas or by providing smaller sketches which clarify missing or confusing details. These documents enhance or build upon the contract documents and should be provided to the Agency for informational purposes and for use by field staff during project inspection.

**Prevailing Wage Reports**

If the HMFA is providing construction financing the contractor and its subcontractors are required to submit certified payroll reports to the Director of Technical Services. These reports will be compared to the prevailing wage within the contract documents. Otherwise, these documents are not required.

**Preconstruction Meeting**

A meeting shall be held prior to the notice to proceed being issued. These meetings provide an opportunity to clear up any unfulfilled requirements, define the role of the various members of the construction team, as well as simply providing everyone a chance to get acquainted. **Many loose ends can be tied up in a timely manner at these meetings, and they are required.**

**Notice to Proceed**

This document is a written communication issued by the owner to the contractor authorizing them to proceed with the work. This notice establishes the date of commencement of the work, and is directly related to the contractor's time of performance and the assessment of damages and/or delay claims, if applicable. The start date is necessary to create a production schedule and to monitor the contractor's performance and its compliance with the contract documents.

**Construction Schedule**

The construction schedule sets forth the contractor's estimate of the completion of the project. One of the functions of this document should be to indicate the approximate degree of completion that the owner and lender can expect at each application for payment. In those instances when the Agency is providing permanent financing, the schedule provides insight regarding date of closing, the need to recommit, or the date of occupancy.

**Minutes of Meetings**

A record of meetings between the parties to the contract is a very important resource. During job meetings discussions can cover a wide range of topics including quality and quantity of work performed to date, change orders, requests for clarification by the contractor to the professional or owner, delays, payments, and so on. Technical Services routinely receives them for construction financed projects and should receive them on all of our permanent financed deals, as well.

**Architect's Field Report**

AIA Document G711 is designed to document the design professional's compliance with the duty of periodic job site inspections. These inspections may identify problems with the work and certain corrective actions to be taken, ultimately leading to the issuance of Supplemental Instructions.

**Bank Inspector's Report**

If a lender other than the Agency makes construction inspections, Technical Services shall be provided copies of these reports for our review and possible comment.