

**DEPARTMENT OF ADMINISTRATION  
GENERAL SERVICES DIVISION  
PROJECT REVIEW PROCEDURES**  
*(Revised August 2012)*

**Established in 1967 and enabled under ARS 41-791.01, the Statutory Review Section of Building & Planning Services is charged with the review and approval of State funded construction projects, Capital Outlay or Building Renewal, exceeding \$50,000.00. Any construction project for Life/Safety, regardless of amount, is to be submitted for Statutory Review and approval.**

**The following procedures are provided to further define the Section's roles and responsibilities.**

**1. SUBMISSION OF ARCHITECTURAL, ENGINEERING AND CONSTRUCTION CONTRACTS**

**Architectural/Engineering Contracts**

Architectural/Engineering contracts and changes thereof, including authorization of additional services, must be reviewed prior to the commencement of work.

The contract forms to be utilized are the 2007 Edition of the AIA Standard Form of Agreement between Owner and Architect, AIA B102, B201, B201 Exhibit A and B201 Exhibit B-Arizona Edition with 2008 Arizona modifications. These contracts are available on the General Services Division web site: <http://gsd.azdoa.gov/ConstructionReview.html>

All contracts require a defined project scope, an established professional services fee for the preparation of plans and specifications and the estimated construction costs. In cases where the estimated amount exceed appropriations or significantly differ from budgetary requests, the justification for the revised construction cost must accompany the contract along with the identified source of additional funds.

All contracts for projects submitted to the Building & Planning Services Office for review shall be accompanied with the following items:

- A. Project Name and Funding Source - Authorization (Appropriation, Building Renewal, ADA, etc.), AFIS ORG/Activity Code, Index and unencumbered amounts
- B. Contract Package, including:
  - A/E Contract: 2007 Edition of the AIA Standard Form of Agreement Between Owner and Architect, AIA 2007 Edition B102, B201, B201 Exhibit A and B201 Exhibit B-AZ Edition with 2008 AZ Modifications, signed by the A/E  
*(Note: If contract is to be uploaded in ProcureAZ, 1 original of each of the following documents. If contract is not to be uploaded in ProcureAZ, 3 originals of each of the following documents.)*
  - In the event the B201 Exhibit B document does not include task categories appropriate for the type of work the A/E will be performing, the A/E's written proposal shall be submitted for review.

Contractor's contract deviations, additions or modifications to the contract form, other than compensation or the scope of work, shall be pre-approved through the Civil Division of the Office of the Attorney General.

### **Design-Builder Contracts**

Design-builder contracts and changes thereof, including authorization of additional services, must be reviewed prior to the commencement of work.

The contract form to be used in the 2004 Edition of the AIA Standard Form of Agreement Between Owner and Design-builder, Arizona Edition, AZ-A141-2004 with 2006 Arizona Modifications. This contract is available through the Building & Planning Services office.

All contracts require a defined project scope, an established professional services fee for the preparation of plans and specifications, plus construction costs.

All contracts for projects submitted to the Building & Planning Services office for review shall be accompanied with the following items:

- A. Project Name and Funding Source – Authorization (Appropriation, Building Renewal, ADA, etc.), AFIS ORG/Activity Code, Index, and unencumbered amounts
- B. Contract Package, including
  - Design-build contract: 3 originals of 2004 Edition of the AIA Standard Form of Agreement Between Owner and Design-Builder, Arizona Edition, AZ-A141-2004  
*(Note: If contract is to be uploaded in ProcureAZ, 1 original of each of the following documents. If contract is not to be uploaded in ProcureAZ, 3 originals of each of the following documents.)*
  - If an RFP was done in accordance with ARS § 41-2578 (F), the Technical Proposal of the highest ranked firm shall be submitted for review.
  - Performance and payment bonds to be submitted when construction cost is determined

Contract deviations, additions, or modifications other than compensation or the scope of work shall be pre-approved through the Civil Division of the Office of the Attorney General via review by the Building & Planning Services office.

### **Continuing Services Contracts**

Continuing Services Contracts have been replaced with the Annual Professional Services List as indicated in ARS § 41-2581. The List and instructions are located on the State Procurement Office website. Please follow the instructions for review of Architectural & Engineering contracts above.

### **Construction Contracts**

Construction contracts for projects submitted to the Building & Planning Services Office for review shall be accompanied by the following items:

- A. AIA A101-2007 Edition of the AIA Standard Form of Agreement Between Owner and Contractor, with 2008 AZ Modifications, signed by the Contractor. *(Note: If contract is to be uploaded in ProcureAZ, 1 original of each of the following documents. If contract is not to be uploaded in ProcureAZ, 3 originals of each of the following documents.)*

B. Project Name and Funding Source - Authorization (Appropriation, Building Renewal, ADA, etc.), AFIS ORG/Activity Code, Index and unencumbered amounts

C. Contract Package, including:

- Construction Contracts (3 signed originals of AIA A101-2007 with 2008 AZ Modifications)
- Contract award amount and accepted alternates
- Complete list of documents, including plan sheets numbers and addenda
- AIA General Conditions: AIA A201- 2007 with 2008 AZ Modifications
- Statutory Performance and Payment Bond

Subsequent to Statutory Review and prior to award of project in excess of \$250,000.00, the Procurement Officer shall verify compliance with the JCCR review requirements of ARS 41-1252.

**2. SUBMISSION OF PLANS AND SPECIFICATIONS AND CHANGES THEREOF FOR ALL PROJECTS AND IMPROVEMENTS FOR WHICH FUNDS ARE APPROPRIATED BY THE LEGISLATURE**

All projects shall be designed to comply with applicable local construction codes and laws (ARS 34-461), along with the requirements of the State Fire Marshal's Office (ARS 41-2163), the Arizona Department of Administration, Risk Management Office (R2-10-201), the State Historic Preservation Office (ARS 41-861) and required archeological clearances (ARS 41-844).

All new construction documents must incorporate the energy conservation standards and life cycle cost analysis (ARS 34-452), (ASHRAE 90.1-2004), handicapped accessibility (ARS 41-1492.01), solar orientation/utilization (ARS 34-452), implementing renewable energy and energy efficiency in new state buildings (Executive Order 2005-05) and waterless urinals (ARS 45-313.01).

All remodeling/renovation projects within buildings constructed prior to 1980 must include a site assessment report for hazardous substances, (Risk Management Office, R2-10-501).

Additional State design criteria for major office facilities exists in areas of floor loading, electrical systems, security systems, locking systems and telecommunication systems. An early pre-design meeting with the team to review these issues is recommended.

**Project Documents**

Final working drawings, specifications, structural calculations and soil investigation reports should be submitted to the Building & Planning Services Office prior to the completion of the legal advertising schedule or vendor notification or immediately upon availability, if late.

Copies of all addenda issued prior to the awarding of the construction contract shall also be submitted for review. Addenda are to be sealed by the registrant (R4-30-304) and submitted to the Building & Planning Services Office within seven (7) days of issuance.

Within the bidding package, the following items should be included or addressed for design-bid-build projects:

A. The 2007 Edition of the AIA-A201, General Conditions of the Contract for Construction with 2008 Arizona Modifications.

- B. The 2007 Edition of the AIA-A101, Standard Form of Agreement between Owner and Contractor, with 2008 Arizona Modifications..
- C. Statutory Performance Bond Form - SP302
- D. Statutory Payment Bond Form - SP303
- E. Contractor's substitution of specified materials by prior approval only, Form GS-110 or equivalent
- F. Signed and sealed drawings, calculations and specifications
- G. Code/Occupancy criteria. The index page of each set of project plans shall, at a minimum, itemize the following building information:
  - Applicable codes, Building area, Occupancy type and load, Floor loading, Fire detection system and Fire protection system
- H. Minimum of two year watertight guarantee on new roofing and flashing
- I. Compliance with a directive from the Office of the Attorney General, dated February 28, 1992.
- J. Approval of fire detection/protection system by Risk Management
- K. Approval of fire detection/protection system by State Fire Marshal
- L. Compliance with handicapped accessibility requirements
- M. Compliance with energy conservation life cycle cost analysis requirement
- N. Compliance with water conservation/back flow prevention regulations
- O. Solar energy/features report (if construction exceeds 6,000 square feet)
- P. Hazardous material site assessment (if original construction prior to 1980)
- Q. Soils reports
- R. Structural calculations
- S. SHPO/Archeology clearance, if necessary.

**3. REVIEW ALL PROGRESS PAYMENTS ON ALL MAJOR PROJECTS AND IMPROVEMENTS**

Encumbrances and Claims for all projects shall be reviewed prior to processing by the General Accounting Office. In accordance with AFIS Procedures Manual the project number of all construction project funding and Building Renewal must start with '9 and 6 digits long number plus 2 digits for the fiscal year beginning the project.

Prior to the review and approval of encumbrances pertaining to architectural/engineering and construction contracts, copies of the referenced documents must be on file in the Building & Planning Services Office. Encumbrances for agency purchases shall include the bid number and,

where sealed bids are involved; a copy of the information for bidding shall be submitted within four (4) weeks of execution of the contract.

Claims submitted for review and approval must be accompanied by substantiating invoices and receiving reports.

Encumbrances and claims for material and equipment purchases in support of inmate labor or tenant improvement projects are exempt from this section.

Final payment to a contractor must include, in addition to the Pay Request, the Architect's Certification of Completion of Construction; GS100, along with copies of AIA Document G704, Certificate of Substantial Completion; AIA Document G706, Contractor's Affidavit of Release of Liens; AIA Document G706A, Contractor's Affidavit of Payment of Debts and Claims; AIA Document G707, Consent of Surety Company to Final Payment; completed Special Inspection Certificate, if applicable, and Architect's statement of Project Completion.

In the event the general contractor elects to deposit securities in lieu of the statutory retention, the instruments should be held by the State, together with the contractor's assignment of the deposit and the bank's receipt and waiver. Alternately, the contractor may utilize an escrow agreement approved by the Office of the Attorney General. In this case, the contractor's monthly Pay Requests must include a statement of securities on deposit with the agency. Securities in Lieu of Retention shall not be released to the contractor without the prior approval of the Building & Planning Services Office.

**4. MAKE REGULAR INSPECTIONS OF ALL PROJECTS AND IMPROVEMENTS DURING THE COURSE OF CONSTRUCTION TO ENSURE COMPLIANCE WITH THE PLANS AND SPECIFICATIONS APPROVED**

Upon issuance of the contractor's written notice to proceed, one copy is to be furnished to the Building & Planning Services in order to begin project inspections. Periodically during the course of construction, inspections will be made at the job site to review progress and compliance with the approved plans and specifications. At all times, one set of approved plans and specifications, along with all Change Orders and Field Orders must be maintained at the job site. One copy of the Building & Planning Services inspectors' site observations and inspection report will be left, if possible, at the job site. An additional copy will be furnished to the Owner's designated agent.

Contract and statutory requirements mandate compliance with local codes and their required inspection criteria. When required for Statutory Review approval, Form GS100 (Certificate of Observation for State Construction) must be completed, prior to the construction start date, to identify the responsible party in this matter.

Special inspection reports, if required by code, shall be filed monthly with the Building & Planning Services Office.

**5. REVIEW AND APPROVE ALL CHANGES TO CONTRACTS AND DOCUMENTS**

**Architectural/Engineering Services**

Copies of all authorizations of additional services or other design contract amendments shall be submitted for review. Documents shall include a statement of costs and services to be provided.

The following items shall be submitted to the Building & Planning Services Office for review of A/E Service Amendments and Design Change Notices:

- A. Project Name, Funding Source and unencumbered amounts
- B. Detailed Scope of Work and cost break down
- C. Revised construction budget and source of additional funding, if applicable
- D. A/E Amendment to Contract

**Construction Contracts**

Change Orders shall be reviewed by the Building & Planning Services Office prior to any financial commitment by the contracting agency.

The following items shall be submitted to the Building & Planning Services Office for review of Change Orders:

- A. Project Name and Funding Source - Authorization, AFIS, ORG/Activity Code, Index and unencumbered amounts
- B. Change Order AIA G701, including copies of associated proposal requests or drawings
- C. Contractor's and Subcontractor's cost breakdown per Article 7.2 of the General Conditions, including:
  - Labor costs
  - Material costs
  - Equipment/Subcontractor Costs
  - Job Site Supervision/Field Office Expenses
  - Profit
  - Bonds/Insurance
  - Taxes

All proposed costs shall be identified by the general contractor and each level of subcontractor participating in a Change Order. Costs shall be allocated in accordance with the standard divisions and sub-divisions established in the Uniform System for Construction Specifications, Data Filing and Cost Accounting published by the Construction Specifications Institute.

No backup, other than identification of total labor and material costs, will be required for any division or sub-division cost of labor and material less than \$1,000.00 or for costs identified within the bid documents.

Any division or sub-division cost exceeding \$1,000.00 shall be itemized into the following categories: labor, material, equipment and subcontracted work. Itemization must contain sufficient detail to determine the basis of cost and scope.

A lump sum change cost may be substituted provided the agency and the architect make a written determination that unit pricing or detailed costing from the contractor is impractical to secure and a detailed estimate is provided by the architect substantiating the Change Order amount.

Each level of subcontractor shall total all direct costs and itemize the additional markups. The general contractor shall itemize and total all direct costs including both additions and deletions. To this amount, add in the following order: job site supervision and field office expenses, and in an amount not to exceed five percent on subcontract work and ten percent on direct work, overhead and profit. The contractor's bond and insurance cost shall be identified and sales tax computed.

Any contract change/amendment item that exceeds \$100,000.00 must be approved by the Assistant Director of the General Services Division, Arizona Department of Administration. The submission must additionally include a detailed letter of justification from the requesting agency, which: (1) Describes the proposed work and (2) state why approval of the change is in the best interest of the State. In the letter of justification, the following specific questions must be answered:

- I. Description of proposed work
- II. Requirement to proceed with Change Order work at this time
- III. Reasons for not going to competitive bid
- IV. Proposed cost evaluation