

ADMINISTRATIVE REGULATION AR: 9.07-5 DATE APPROVED 9-19-2017

SUBJECT: ORIGINATING DEPARTMENT:

Contracting for Construction Services

County Administration

POLICY:

- a. When contracting for construction services, Staff shall follow the procedures in Administrative Regulation AR: 9.01 (latest revision); Purchasing Policy concerning financial authorization for approval of award.
- b. This Administrative Regulation does not apply to design/build construction services.
- c. A construction project may not be divided into more than one project for the purpose of evading the requirements this Administrative Regulation and those noted above.

PROCEDURE:

- a. "Staff" means Department/Division/Office.
- b. "DMB" means Department of Management & Budget/Purchasing & Contracts Section.
- c. For construction projects of a general nature that have an estimated value of less than \$100,000, Staff may utilize one of the contractors under the continuing services contract, in accordance with the procedures outlined in Administrative Regulation AR:9.11 (latest revision); Continuing Contracts for Construction Services.
- d. For construction projects not of a general nature, or those requiring a specific type of construction discipline, that have an estimated value greater than \$5,000 and less than \$25,000, Staff shall obtain a minimum of three written quotes from qualified contractors and award to the contractor offering the lowest price. If less than three quotes are obtained, or the lowest priced contractor is not selected for award, Staff must maintain documentation as to the reason for such.
- e. For construction projects not of a general nature, or those requiring a specific discipline, that have an estimated value greater than \$25,000, Staff shall follow the procedures outlined in Administrative Regulation AR: 9.10 (latest revision); Invitation to Bid Procedures, in selecting a qualified contractor.
- f. Regardless of the value of the construction project, before award is made to a qualified contractor, the contractor to whom an award is being made shall 1) provide Certificates of Insurance evidencing that the contractor has the policies and limits as stipulated by Risk Management, 2) provide an executed Hold Harmless Agreement and 3) provide copies of all licenses and certifications required for the type of services being provided. For construction projects where the cost is greater than \$10,000, these documents shall be submitted to DMB for their review and approval. The contractor's licensing and/or certification credentials shall be verified through the County's Building Division and the State of Florida Department of Business and Professional Regulation.
- g. Once a determination has been made that the contractor's insurance and licenses/certifications are satisfactory and an executed Hold Harmless Agreement has been received, an award shall be made to the contractor.
- h. If the construction services are for the construction of a public building, for the

prosecution and completion of a public work, or for repairs upon a public building or public work projects that are in excess of \$100,000, Payment and Performance Bonds will be required from the contractor. The contractor shall have ten (10) business days after Notice of Award to procure Payment and Performance Bonds in the amount of one hundred percent (100%) of the bid amount. The Bonds shall be in the form prescribed in Section 255.05 of the Florida Statutes. The surety company underwriting the Bonds shall be licensed to do business in the State of Florida and shall be rated by A.M. Best at A-, VI or better.

- i. Once the contractor has procured the Bonds, the contractor shall have the Bonds recorded in the public records of Citrus County. Once recorded, the contractor shall deliver two certified copies of the Bonds, along with a receipt from the Clerk of the Circuit Court for recording of the Bonds to DMB. DMB shall verify that the surety company underwriting the Bonds has an A.M. Best rating of A-, VI or better and that the bond is in compliance with Section 255.05 of the Florida Statutes. If not, then the bonds shall be returned to the contractor with instructions to correct any deficiencies. DMB shall be the custodian of the bonds and shall distribute a copy of the bonds to Staff.
- j. In accordance with Section 713.13(7) (g) of the Florida Statutes, for the construction of a public building, for the prosecution and completion of a public work, or for repairs upon a public building or public work projects, the County may be required to have a Notice of Commencement recorded in the public records of Citrus County before authorizing the contractor to proceed with the project. The Notice of Commencement must contain an address and legal description of the property, alternate key number, township/section/range number, and parcel identification number. Also required is a description of the improvement and information on the following if applicable: owner, contractor, surety, and loan institution; name of person(s) for notice to be sent; and the time of completion if greater than one year.
- k. A Notice of Commencement is **not** required for construction projects in accordance with Florida Statute 713.01(26) which excludes property owned by the County from the definition of "real property".
- l. The Notice of Commencement shall be executed in accordance with the following guidelines when the County is not the property owner:
 - a. For construction projects valued at less than \$5,000, Staff shall complete the Notice of Commencement and the Division Director shall execute such.
 - b. For construction projects valued between \$5,000 and \$10,000, Staff shall complete the Notice of Commencement and the Department Director shall execute such.
 - c. For construction projects valued between \$10,000 and \$25,000, Staff shall complete the Notice of Commencement and the County Administrator shall execute such.
 - d. For construction project in excess of \$25,000, OMB shall complete the Notice of Commencement and submit such to the Board of County Commissioners for execution.
- m. A Notice of Commencement is not required for the following types of work as defined in Section 713.04 of the Florida Statutes:
 - a. Laying of pipes and conduit
 - b. Grading and paving of streets
 - c. Grading and excavating as defined
 - d. Other work as defined in Section 713.04
- n. Once the Notice of Commencement (if required) has been recorded in the public records, the County Clerk of Records shall return one (1) certified copy of the Notice of

Commencement to Staff or DMB, as applicable. One certified copy shall be retained by Staff and DMB, as applicable, and copies of such shall be given to the contractor.

- o. If the construction project requires Payment and Performance Bonds, one certified copy of the Bonds shall be recorded in the public records.
- p. Once the proper approvals have been received in accordance with the Administrative Regulation AR: 9.01 (latest version), Staff shall then issue a Notice to Proceed to the contractor.
- q. If the duration of the construction project extends over several months, the contractor shall be allowed to make monthly progress payment requests for partially completed work. If this is allowed, Staff shall be permitted to withhold up to ten percent (10%) of the payment request as retainage until the construction project is fifty percent (50%) complete, at which time retainage shall be reduced to five percent (5%) of the payment request as retainage until the construction project is. When the construction project is fifty percent (50%) complete, the contractor shall be permitted to request that one-half of the retainage held be released. Upon the satisfactory completion of the project, the remaining retainage shall be released to the contractor. All payments of retainage, partial or otherwise, shall require the approval of the Board of County Commissioners. Prior to final release of retainage, Staff shall verify that all requirements have been met and after consulting with Financial Services for accuracy of information, shall prepare an Agenda Item for the Board to approve the payment of the retainage. Staff may be permitted, but is not required to withhold retainage. It is recommended to withhold retainage for all construction projects that extend over several months, and the contractor is allowed to make monthly progress payment requests for partially completed work. Request to waive the right to withhold retainage by Staff must be made in writing to and approved by the Department Director.