

## Glossary of Construction & CIP Terms

### *Active Project*

A project is considered active from the early start date in the Master Program Schedule through project closeout.

### *ADA*

The Americans with Disabilities Act gives civil rights protection to individuals with disabilities similar to those provided to individuals on the basis of race, color, sex, national origin, age, and religion. It guarantees equal opportunity for individuals with disabilities in public accommodations, employment, transportation, state and local government services, and telecommunications.

### *Addendum*

(Addenda) Written information adding to, clarifying or modifying the bidding documents. An addendum is generally issued by the owner to the contractor during the bidding process and as such, addenda are intended to become part of the contract documents when the construction contract is executed.

### *Alternate Bid*

Amount stated in the bid to be added or deducted from the base bid amount proposed for alternate materials and/or methods of construction.

### *Application for Payment*

Contractor's written request for payment for completed portions of the work and, for materials delivered or stored and properly labeled for the respective project.

### *BAFO*

Best And Final Offer. During contract negotiations, this is a term used to describe quote submissions from vendors to the project owner.

### *Bid*

An offer or proposal of a price, including the amount offered or proposed.

### *Bid Form*

A standard written form furnished to all bidders for the purpose of obtaining the requested information and required signatures from the authorized bidding representatives.

### *Bid Opening*

The actual process of opening and tabulating bids submitted within the prescribed bid date/time and conforming with the bid procedures. A Bid Opening can be open (where the bidders are permitted to attend) or closed (where the bidders are not permitted to attend).

### *Bidding Documents*

The published advertisement or written invitation to bid, instructions to bidders, the bid form and the proposed contract documents including any acknowledged addenda issued prior to receipt of bids.

### *Change Order (CO)*

A written document analyzed and recommended by the architect and program manager, and approved by DCSD Design and Construction Department, and executed by the DCSD Superintendent and BOE as appropriate, authorizing a change in scope of work, an adjustment in the contract price, or the contract schedule. The contract sum and the contract time may be changed only by change order. A change order may be in the form of additional compensation or time; or less compensation or time known as a Deductive C.O.

### *Change Order Request (COR)*

A written document requesting a change in scope of work, an adjustment in the contract price, or the contract schedule.

### *Closed Project*

A project is considered closed when all final contract payments have been made, any claims settled, and all remaining project monies are transferred to the Programs' contingency fund.

### *Construction Document Phase*

The construction document phase is generally the third phase of design. The CD phase follows right after the DD Phase. In this phase the architect and engineer develop much of the details of the project along with the drawings and specifications that the contractor will use to build the project. In many cases CD's are further broken into sub-phases; 30% CD's, 60% or 80% CD's and 100%CD's.

### *Design Development Phase*

The design development (DD) phase of design is generally the second phase nestled right between schematic design (SD) and construction document (CD) phase. Much of the actual design happens in this phase.

### *Earned Value Management Initiative –*

Earned Value Management (EVM) is a project management technique for measuring project performance and progress against the project plan in an objective manner. It has the ability to combine measurements of scope, schedule, and costs in a single integrated system. Earned Value Management is able to provide accurate forecasts of project performance problems, which is an important contribution for project management. Essential features of any EVM implementation include:

- A project plan that identifies work to be accomplished
- A valuation of planned work, called Planned Value (PV) or Budgeted Cost of Work Scheduled (BCWS)
- Pre-defined "earning rules" (also called metrics) to quantify the accomplishment of work, called Earned Value (EV) or Budgeted Cost of Work Performed (BCWP)

For the project's schedule and cost performance with EVM, you use the following indicators:

- Schedule variance (SV): The difference between the amounts budgeted for the work you actually did and for the work you planned to do. The SV shows whether and by how much your work is ahead of or behind your approved schedule.
- Cost variance (CV): The difference between the amount budgeted and the amount actually spent for the work performed. The CV shows whether and by how much you're under or over your approved budget.
- Schedule performance index (SPI): The ratio of the approved budget for the work performed to the approved budget for the work planned. The SPI reflects the relative amount the project is ahead of or behind schedule, sometimes referred to as the project's schedule efficiency. You can use the SPI to date to project the schedule performance for the remainder of the task.
  - A project with a SPI greater than 1.0 indicates that the project is ahead of schedule. If the project SPI is less than 1.0 the project is behind schedule. An SPI equal to 1.0 indicates that a project is precisely on schedule
  - Cost performance index (CPI): The ratio of the approved budget for work performed to what you actually spent for the work. The CPI reflects the relative value of work done compared to the amount paid for it, sometimes referred to as the project's cost efficiency. You can use the CPI to date to project the cost performance for the remainder of the task.
  - A project with a CPI greater than 1.0 indicates that actual cost is less than budgeted cost or that the project is under budget. A CPI less than 1.0 indicates that the project is over budget. A CPI equal to 1.0 indicates that a project is precisely on budget.

### *Facility or Site Analysis*

A visual inspection of a building and on-site improvements for functional or physical deterioration; prepare optional Replacement Cost Estimate for making recommendations to improve functional and physical deficiencies to increase market value; AND/OR prepare a Reserve Study over five (5) years to increase Net Operating Income (NOI) for the facility.

### *FMO*

Abbreviation for Fire Marshall Office

### *Funding*

For this, and future reports, the term "funding" will represent the total intake of revenue, bond receipts, and GA DOE Reimbursements.

### *GC*

Abbreviation for General Contractor.

### *General Conditions*

A written portion of the contract documents set forth by the owner stipulating the contractor's minimum acceptable performance requirements including the rights, responsibilities and relationships of the parties

involved in the performance of the contract. General conditions are usually included in the book of specifications but are sometimes found in the architectural drawings.

### *General Contractor*

The prime or main contractor to the Owner that is contracted to perform all work agreed upon in the project scope of work, schedule and sum.

### *Indirect Cost (or expense)*

A contractor's or consultant's overhead expense; expenses indirectly incurred and not chargeable to a specific project or task. The terms indirect costs and soft costs are synonymous.

### *Lump Sum Contract*

A written contract between the owner and contractor wherein the owner agrees to pay the contractor a specified sum of money for completing a scope of work consisting of a variety of unspecified items or work.

### *Notice of Award*

Written confirmation of an award of a contract by the Owner to a successful bidder; it may also contain a notice to proceed, and it is sometimes used in lieu of a purchase order to a vendor.

### *Notice To Proceed (NTP)*

A letter from the Owner to the Architect, Engineer, Consultant and/or Contractor stating the date the work can begin per the conditions of the contract. The performance time of the contract starts from the NTP date.

### *Obligations*

Funds that are committed by an executed contract.

### *Plans*

A term used to represent all drawings including sections and details; and any supplemental drawings for complete execution of a specific project.

### *Preliminary Drawings*

The drawings that precede the final approved drawings. Usually these drawings are stamped or titled "PRELIMINARY"; and the "PRELIMINARY" is removed from the drawings upon being reviewed and approved by the owner

### *Pre-qualification of prospective bidders*

A screening process wherein the owner or his/her appointed representative gathers background information from a contractor or construction professional for selection purposes. Qualifying considerations include competence, integrity, dependability, responsiveness, bonding rate, bonding capacity, work on hand, similar project experience, and other specific owner requirements

*QSCB*

Abbreviation for Qualified School Construction Bond, a U.S. debt instrument created by the American Recovery and Reinvestment Act of 2009. QSCBs allow schools to borrow for the rehabilitation, repair and equipping of schools. Funds can be used for renovation and rehabilitation projects, new building construction and land acquisition, as well as equipment purchases.

*RFI*

Abbreviation for Request for Information. A written request from a contractor to the owner or architect for clarification or information about the contract documents following contract award.

*RFP*

Abbreviation for Request for Proposal. A written request from the requestor (usually the owner or a contractor) to a contractor, design professional or subcontractor for an estimate or cost proposal. The RFP usually contains a specific scope of work.

*Safety Report*

The Occupational Safety and Health Act of 1970 clearly states the common goal of safe and healthful working conditions. A Safety Report is prepared following a regularly scheduled project safety inspection of the specific project.

*Schedule of Values*

A statement furnished by the contractor to the architect or engineer reflecting the portions of the contract sum allotted for the various parts of the work and used as the basis for reviewing the contractor's applications for progress payments.

*Schematic*

A preliminary sketch or diagram representing the proposed intent of the designer.

*Schematic Design Phase*

The first phase of the architect's basic services in which the architect consults with the owner to ascertain the requirements of the project and prepares schematic design studies consisting of drawings and other documents showing the scale and project components for the owner's approval.

*Scheme*

A chart, a diagram, or an outline of a system being proposed. An orderly combination of related construction systems and components for a specific project or purpose.

*Scope of Work*

A written range of view or action; outlook; hence, room for the exercise of faculties or function; capacity for achievement; all in connection with a designated project.

*Special Conditions*

A section of the conditions of the contract, other than the General Conditions and Supplementary Conditions, which may be prepared for a particular project. Specific clauses setting forth conditions or

requirements peculiar to the project under consideration, and covering work or materials involved in the proposal and estimate, but not satisfactorily covered by the General Conditions. (See General Conditions)

### *Structural Design*

A term used to represent the proportioning of structural members to carry loads in a building structure.

### *Swing Space*

Interim space occupied during a construction/renovation project.

### *Sub*

Abbreviation for Subcontractor.

### *Subcontract*

A written form of agreement between the prime or main contractor and another contractor or supplier for the satisfactory performance of services or delivery of material as set forth in the plans and specifications for a specific project.

### *Subcontractor*

A qualified subordinate contractor to the prime or main contractor.

### *T&M*

Abbreviation for a contracting method called Time and Materials. A written agreement between the owner and the contractor wherein payment is based on the contractor's actual cost for labor, equipment, materials, and services plus a fixed add-on amount to cover the contractor's overhead and profit.

### *Unit Price Contract*

A written contract wherein the owner agrees to pay the contractor a specified amount of money for each unit of work successfully completed as set forth in the contract.

### *Variance*

This report uses the term variance to indicate the calculation of the current budget less the forecasted cost at completion. A positive variance amount does not indicate that funds are available for use on additional projects. The original scope of work must be completed before funds can be reallocated.

### *Zoning*

Restrictions of areas or regions of land within specific geographical areas based on permitted building size, character, and uses as established by governing urban authorities.

### *Zoning Permit*

A document issued by a governing urban authority permitting land to be used for a specific purpose.

## **Construction Delivery Methods**

### *Design/Bid/Build*

Under this traditional method, an architectural firm is hired and serves as the owner's agent. Although the firm may have numerous responsibilities, including the selection of consultants, its primary responsibility is to provide and oversee the design and construction documents for the project. As the design progresses, cost estimates are periodically prepared by the architectural firm and external cost estimators. Once the construction documents and specifications are completely finished, and other requirements of the owner have been met, the project is bid and subsequently awarded to the Bidder whose bid is the lowest responsive responsible bid.

### *Design/Propose/Build*

Under this traditional method, an architectural firm is hired and serves as the owner's agent. Although the firm may have numerous responsibilities, including the selection of consultants, its primary responsibility is to provide and oversee the design and construction documents for the project. As the design progresses, cost estimates are periodically prepared by the architectural firm and external cost estimators. Once the construction documents and specifications are completely finished, and other requirements of the owner have been met, the project is solicited as a Request for Proposals and subsequently awarded to the Offeror whose proposal is most advantageous to the Board of Education.

### *Construction Manager at Risk*

This system of delivery is similar to that of Design/Bid/Build with three key differences. First, a construction manager is hired during the preconstruction phase to manage the construction process, including the selection of subcontractors. Second, through coordination between the architect and construction manager, the design and construction phases can be overlapped thereby expediting the delivery process. Third, the construction manager, who is responsible for quality control, scheduling and the estimate of construction costs, provides a guaranteed maximum price for the project.

### *Design/Build*

Rather than hiring an architect, under Design/Build the owner enters into a contract with a single firm with design and building capabilities or a construction entity that employs the architect as a consultant. As with the aforementioned delivery system, a guaranteed maximum price for the entire project may be provided, construction management techniques to overlap design and construction phases are utilized, and the overall project delivery is expedited.

## **CIP Project Phase Descriptions**

### *Planned*

This is the status of upcoming projects that are part of the SPLOST program, but have not yet started yet.

### *Pre-Design and Programming*

This is the first active phase of a project, during which a project manager is assigned and the scope of work to be performed is developed in greater detail. Once the project manager has analyzed the project and completed scoping, the project moves into Design Procurement.

### *Design Procurement*

This is the phase where architectural/engineering services are procured for a project. It may involve the RFP, bidding, award, contract review, and contract execution activities.

### *Design*

Once an A/E is awarded a design services contract, design work commences with the NTP. During design the project scope is further developed into construction documents that will be used to define the work for the contractor to complete on-site.

### *Pre-Construction*

The Pre-Construction phase consists of construction procurement, as well as coordination by the CIP Team for any other activities prerequisite to construction, i.e., relocation into swing space.

### *Construction*

Construction begins once the contractor is issued a NTP. During construction is when most of the on-site activity of a project occurs.

### *Close-out*

Upon Substantial Completion, the final inspection, submission of necessary documentation, acceptance, and concluding payment on a construction project, as required by the contract documents.

### *Closed*

All design, construction, and close-out requirements for the project have been completed and accepted by the owner. Final payment has been made, and the project is no longer active. Note: project warranties (as applicable) may still be enforced and are not affected by the project status.

### *Non-Construction Project*

This phase relates to activities within the CIP that are on-going throughout the length of the program, or are not buildings projects and more administrative by nature. These projects are generally supporting activities.

## **Construction Project Financial Terms**

### *Original Budget*

The budget amount assigned to the project for the original scope of work.

### *Budget Revisions*

Changes made to the budget of each individual cost code for the project. These changes are tracked during the duration of the project.

### *Current Budget*

The current budget represents the original budget plus or minus any budget revisions.



### *Original Contracts*

Once a vendor has been awarded a contract for any portion of work for the project, the original contract dollar amount is recorded. Each contract is placed within the appropriate cost code.

### *Executed Change Orders*

A change order is work that is added to or deleted from the original scope of work of a contract, which alters the original contract amount or completion date.

### *Current Contracts*

The current contract represents the original contract plus or minus any executed change orders.

### *Paid To Date*

This represents payments that have been issued to a vendor against their contract.

### *Approved Requests Waiting Payment*

This is vendor pay requests that have been approved for payment and are in the process of having a check released.

### *Contracted Balance*

The calculation of a vendor's current contract amount less any pay requests that have been paid or approved to be paid. This provides a status of the financial obligation to complete the contract.

### *Change Order Requests*

Change Order Request (COR) are additional scope of work items. This is part of the construction process and is a place holder for funds against the existing contract. They may add or remove any portion of work from the project. After approval, multiple CORs may be combined into a single change order for the contract. As used in this report, COR amounts serve as placeholders on the applicable budget and will only impact the budget after final approval of the related CORs is achieved via either final DCSD signatures or Board of Education approval and final DCSD signatures.

### *Estimate To Complete Forecast*

The Estimate To Complete (ETC) Forecast is a manual analysis of the projects expected cost needed to complete all the remaining work. This is a place holder for work that is not currently under contract but will be at some point in the future to complete the project. This is not a calculated field, rather a manual estimated amount based on a periodic review of the project status. This analysis includes CORs for which approval is pending and other future work not yet identified and memorialized in CORs.

### *Estimate At Completion*

The Estimate At Completion (EAC) is calculated by adding the current contract plus the CORs plus the estimate to complete for all of the remaining work.

### *Forecasted Budget Balance*

The Forecasted Budget Balance column represents the current budget less the estimate at completion, if funds are available from the current budget after the scope.