



THE UNIVERSITY *of* TEXAS SYSTEM  
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

## Historically Underutilized Business (HUB) Construction Contractor Guide and Contractor Preparedness Checklist

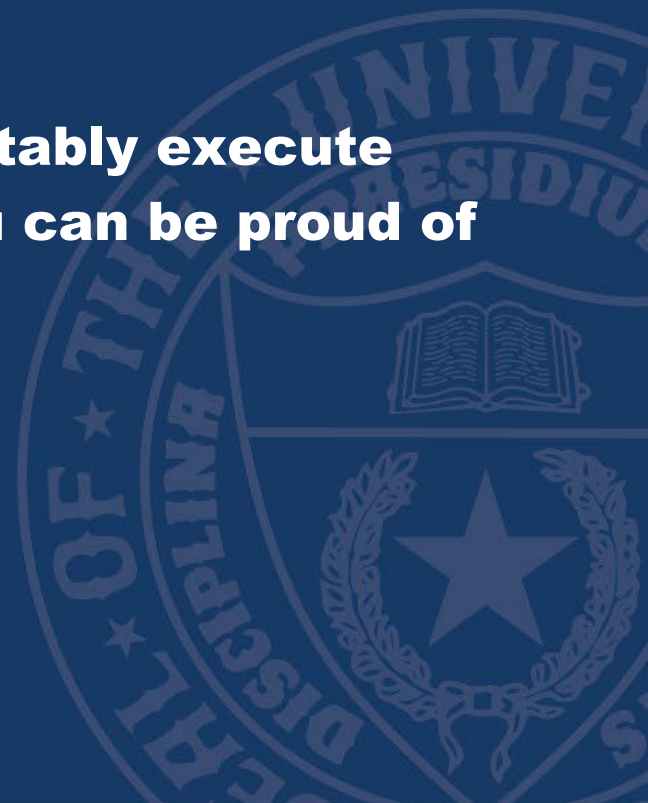
**“Get prepared to do business  
with U. T. System”**

Office of HUB Programs



# **START HERE**

- **To learn how to seek work with an Owner who cares about you and the success of your business**
- **To discover how to create lasting professional relationships that will help you find projects and put together winning bids or proposals**
- **To understand how to profitably execute important projects that you can be proud of**





# START HERE

## Contractor Preparedness Checklist

The following tasks will help contractors be successful seeking, winning, and executing UT System construction projects. Plan time to complete each task.

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- [Obtain \(or maintain\) State of Texas HUB certification](#)..... Sec. 1.2, Pg. 14
- [Confirm business systems and processes are in place](#) ..... Sec. 1.2, Pg. 14
- [Understand insurance requirements](#) ..... Sec. 1.2.2, Pg. 14
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- [Confirm bonding requirements and get pre-approved](#)..... Sec. 1.5.3, Pg. 17
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- [Understand capacity and strengths, and identify competitive focus](#) ..... Sec. 2.1, Pg. 24
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- [Attend pre-bid conferences for specific project pursuits](#)..... Sec. 2.3, Pg. 25
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- [Understand Owner’s procurement process for each project delivery type](#) Sec. 2.5, Pg. 26
- [Review proposal requirements and provide a comprehensive proposal](#).. Sec. 2.6, Pg. 27
- [Prepare and provide resumes for each staff position](#) ..... Sec. 2.6, Pg. 28
- [Include costs to fulfill project safety requirements](#)..... Sec. 2.7, Pg. 29
- [Include costs to fulfill project administrative requirements](#) ..... Sec. 2.8, Pg. 31
- [Follow up regarding bid or proposal outcome](#) ..... Sec. 2.9, Pg. 31

*If unsuccessful, request debrief*

*If successful, continue to Chapter 3 (next page)*



**TASK** ..... **Section, Page #**

**Chapter 3: Successfully Executing the Work**..... **Pg. 25**

- [Focus on field level relationship management](#) ..... *Sec. 3.1, Pg. 34*
- [Focus on field level communication](#)..... *Sec. 3.2, Pg. 34*
- [Access latest project information and documents](#) ..... *Sec. 3.3, Pg. 35*
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- [Initiate and sustain project administrative responsibilities](#) ..... *Sec. 3.5, Pg. 35*
- [Complete project safety requirements and support safety activities](#)..... *Sec. 3.6, Pg. 38*
- [Monitor and support project construction schedule](#) ..... *Sec. 3.7, Pg. 40*
- [Understand project payment process and plan for payment timelines](#) ..... *Sec. 3.8, Pg. 40*
- [Understand quality expectations and construction inspection process](#) ..... *Sec. 3.9, Pg. 42*
- [Support construction change pricing and implementation](#) ..... *Sec. 3.10, Pg. 43*
- [Participate in project closeout activities](#) ..... *Sec. 3.11, Pg. 44*

**Note:**

**A fillable version of the Contractor Preparedness Checklist is included in the Appendices to allow you to track your progress completing the above tasks, and to make notes if desired.**

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***“We are here to assist and advocate on behalf of HUB Contractors so that they can be successful.”***

**Hopeton Hay**

Executive Director  
U. T. System HUB Office





***“Expanding outreach, breaking down work packages, and building collaborative teams are critical steps for success in this market. When we partner with small businesses, specialty contractors, and a workforce invested in the communities UT serves, we ensure our program can be successful for the full range of project stakeholders.”***

## **Stephen Harris**

Assistant Vice Chancellor

U. T. System Office of Capital Projects





## Welcome

***Welcome to The University of Texas (U. T.) System Historically Underutilized Business (HUB) Contractor Guide. This guide is provided to help HUB contractors be successful **SEEKING, WINNING, and EXECUTING** construction contracts for the U. T. System.***

### ***Why work on U. T. System projects?***

There are many potential clients to work for, but working on U. T. System projects provides several advantages:

#### **Experienced Owner**

- Fair minded, and understands construction challenges
- Assists and advocates for you and your business

#### **Professional Relationships**

- Help provided to connect with Owner and contractor representatives
- Guidance to identify projects and win work

#### **Financial Benefits**

- Guaranteed on-time payment for fully compliant work
- Projects with accountability, to protect your business interests

#### **Business Growth**

- Consistent program of important, challenging projects
- Potential for repeat work and leveraging for work with other Owners
- Business skills training opportunities

This guide was created to assist HUB contractors to realize these advantages.



## **What are the U. T. System Capital Program Values and Goals?**

### VALUES

#### **Diversity**

- The U. T. System recognizes the value of diversity in the workplace and provides equal opportunity and access to contracts for construction services. All participation is valued.

#### **Safety**

- The U. T. System values individual workers and their safety. Specific safety requirements are included on projects to assure a safe construction environment.

#### **Effectiveness**

- The U. T. System values optimizing the effectiveness of capital project delivery.

### GOALS

Demonstrate our commitment to the value of diversity by awarding contracts for construction services to meet or exceed U. T. System specific or statewide HUB goals as follows:

- 11.2% for heavy construction other than building contracts
- 21.1% for all building construction, including general contractors and operative builders' contracts
- 32.9% for all special trade construction contracts
- 23.7% for professional services contracts
- 26% for all other services contracts, and
- 21.1% for commodities contracts.

Demonstrate our commitment to the value of worker safety by consistently reducing job-site safety incidents and injuries.

Demonstrate our commitment to optimize the effectiveness of capital project delivery by providing high quality projects, delivering those projects within available financial resources, and completing them when needed to support the unique mission of each component institution.



### ***Who Is This Guide For?***

The guide is intended for HUB contractors interested in pursuing construction contracts with the U. T. System. This includes HUB contractors working at any construction tier; prime contractor, first-tier subcontractor, second-tier subcontractor, etc., as well as HUB personnel, material, and equipment vendors.

### ***Purpose of the Guide***

The purpose of the guide is to inform HUB contractors regarding the unique requirements for U. T. System construction projects as well as the opportunities and benefits available.

The information is organized sequentially as follows:

1. The guide advises what a HUB contractor needs to know before considering seeking construction work with U. T. System.
2. The guide provides recommendations for putting together a winning bid or proposal.
3. The guide describes how to profitably execute the work following award of a construction contract.

The guide topics have been developed with input from contractors with extensive experience working on U. T. System construction projects as well as U. T. System HUB, project management, risk management and safety staff. Some topics repeat in different chapters of the guide, with emphasis related to that chapter.

### ***How Capital Construction Projects Are Identified***

**Unlike what is common in private sector construction, U. T. System has a consistent program of fully funded capital projects across the State of Texas.** The U. T. System regularly renovates buildings and systems and constructs projects at its thirteen component institutions to preserve and enhance overall facilities assets. It maintains a six-year projection of major new construction and repair and rehabilitation projects referred to as the Capital Improvement Program or CIP. The CIP includes a list of Major Projects (those greater than \$10M in Total Project Cost) and details the U. T. System's long-range plan to be implemented and funded from component and System-wide revenue sources. The total value of the combined projects in the CIP has averaged \$6.25B over the last 10 years. Contractors have an opportunity to participate in and contribute to the legacy of high-quality U. T. System projects across the State of Texas. Often, these opportunities are at U. T. System institutions close to your place of business, allowing you to make a positive impact on your own community.

Information regarding the CIP can be found via the U. T. System website at <https://www.utsystem.edu/offices/capital-projects/capital-improvement-program>.

All Major Projects were originally managed centrally by U. T. System Administration. Over time, the responsibility for that management has been delegated to several U. T. System institutions. Currently Major Projects at five of the thirteen component institutions are managed by the U. T. System Office of Capital Projects. Major projects at the remaining eight institutions are managed directly by those institutions. Minor Projects (typically, those less than \$10M in Total Project Cost) are managed directly by each respective institution.



The U. T. System Office of Capital Projects utilizes three different construction delivery methods for Major Projects. Those methods are

- Competitive Sealed Proposals
- Construction Manager at Risk, and
- Design/Build

Selection of contractors for each of these delivery methods is not based upon “low bid”. It includes an evaluation of price and other factors to identify a “best value” respondent. Contractors need to understand these different construction delivery methods and the many opportunities they have to participate in these projects. They will be further explained later in the guide.

### ***Importance of HUB Participation to U. T. System***

The U. T. System Board of Regents, Chancellor, and Executive Leadership are fully committed to the HUB program. First approved at the August 9, 1990 meeting of the Board of Regents, the U. T. System HUB Policy requires System Administration and Institutions to make a good faith effort to meet or exceed the state goals for HUB participation in purchases of and contracts for commodities and services. The Office of Capital Projects works closely with the HUB Office to ensure prime contractors make a good faith effort to utilize HUBs in their subcontracting opportunities. From Fiscal Year 2010 – Fiscal Year 2019, over \$1.1 billion has been spent with HUBs in building construction on U. T. System managed capital projects. U. T. System cares about the success of HUB businesses in the state of Texas.

Information regarding this policy can be found at <https://www.utsystem.edu/offices/historically-underutilized-business/ut-system-policy-utilization-historically-underutilized>.

### ***The U. T. System Office of HUB Programs***

U. T. System Office of HUB Programs is responsible for the implementation of the HUB program at U. T. System Administration and provides functional staff expertise and support to the thirteen campuses as needed. HUB Office staff are available to assist HUB contractors interested in pursuing contracts with the U. T. System. HUB contractors are encouraged to contact them for guidance. They care about you and the success of your business, and will help you develop your professional relationships with owner representatives and construction delivery professionals.

Information regarding the HUB Office can be found at <https://www.utsystem.edu/offices/historically-underutilized-business>.

***“U. T. System projects are challenging, but that experience helped us win work with other clients.”***

**Carlos and Gina Esteves**

COE Concepts LLC

Traffic Control and Pedestrian Safety





# Chapter 1: Seeking Construction Contracts with The U. T. System

As was mentioned above, U. T. System has a consistent program of capital projects that is less affected by the boom-and-bust cycles common in commercial construction. Successful efforts to secure construction contracts with the U. T. System begin well before pursuing a specific project. Making an investment of time to be better prepared and making professional connections will help assure that success. U. T. System construction projects are often large and complex. Meeting the management, labor and administrative expectations on these projects can be challenging, but properly prepared contractors can be very successful.

Contractors should ensure that they are properly certified in accordance with State of Texas requirements. Business systems, administrative processes, labor planning, and financial requirements inherent in these projects should be in place.

It is important to have a marketing focus on where contractors want to work, what scopes of work they wish to pursue and what competition they will face. This will allow them to carefully target marketing efforts and project pursuits. Gaining experience with other institutional clients and documenting that performance helps with demonstrating qualifications. Establishing and maintaining professional relationships with construction industry professionals by actively participating in construction community networking events is highly recommended.

Having an awareness of U. T. System safety requirements helps contractors be better prepared to meet those requirements.

Finally, contractors should be aware of resources that are available to assist them with the development and growth of their business. Examples of those programs will be provided below.

## 1.1 HUB Certification

**TASK:**  *Obtain (or maintain) State of Texas HUB certification*

Minority, women, and service-disabled veteran-owned businesses are encouraged to obtain certification as a HUB from the state of Texas, even if certified by another governmental entity. The State of Texas web site of HUB certified firms is the primary source used by state agencies and general contractors to identify HUB firms to notify of contracting and subcontracting opportunities.

Information regarding the state HUB certification requirements can be found via the Texas Comptroller's website at

<https://comptroller.texas.gov/purchasing/vendor/hub/certification-process.php>

It takes time to compile and submit the required information to receive this certification, U. T. System HUB Office staff can assist contractors with completing the process to become State HUB certified as needed.



## 1.2 Business Systems and Processes

**TASK:**  *Confirm business systems and processes are in place*

Having business systems and processes fully in place and functioning will increase contractors' chances of having a successful project. Investing in automation of these functions will increase efficiency and profitability.

### 1.2.1 Accounting

Professional, complete, and accurate accounting systems are recommended. Contractors should track revenue and expenses for each job through the accounting system in addition to overall financial performance through periodic financial statements. As the firm grows, it should look to hire a certified public accountant to produce financial statements on an annual basis using the accrual accounting method. As the size of contracts requiring bonding approaches \$1 million, most surety companies require financial statements produced by CPAs that specialize in construction accounting. Sometimes bonding agents or companies will refer contractors to these CPAs. Firms need to have solid administrative systems in place for insurance, financial management, and bonding. The accounting system selected should plan for the growth of the firm from an accounting perspective.

### 1.2.2 Insurance

**TASK:**  *Understand insurance requirements*

All U. T. System contractors are required to provide evidence of insurance coverage which is spelled out in the project documents. On most projects, the U. T. System provides coverage for certain types of construction insurance as part of their Rolling Owner Controlled Insurance Program (ROCIP).

The U. T. System has established an owner held insurance policy for designated construction projects. The ROCIP program provides insurance coverage for:

- Workers' compensation
- General liability, and
- Excess liability

This coverage is provided for all contractors working on those projects.

Benefits of the ROCIP program include:

- Lower insurance premiums due to bulk purchasing
- Consistency of insurance provided on each project
- Enhanced safety and loss control
- Cost savings

The U. T. System also manages a separate Builder's Risk Insurance program for designated projects.





As mentioned above, the project documents will require other insurance coverages that are the responsibility of the contractor to provide and maintain current, which may include:

- Automobile insurance
- Errors and omissions insurance
- Umbrella policies

It is important to be aware that the insurer for contractor provided insurance coverages will have to meet certain AM Best rating requirements. AM Best is a credit rating agency that specializes in assessing the creditworthiness of insurance companies.

Participation in the ROCIP program includes administrative responsibilities for the contractor. These include management of company enrollment, tracking and reporting of on-site labor hours, and claims reporting. Contractors will need to anticipate staff requirements to manage these administrative responsibilities and provide necessary training so that these responsibilities can be sustained. For example, payment applications may be held and not processed for payment until the ROCIP reporting information is provided.

The ROCIP program is managed by a third-party administrator hired by U. T. System. The administrator is available to provide guidance and assistance to contractors regarding their participation in the program.

## 1.3 Administrative Processes

**TASK:**  *Understand administrative and paperwork requirements*

Large, complex capital construction projects require that sufficient personnel, administrative systems and processes be in place to properly execute the work. The scope and extent of the “paperwork” required can be intimidating to contractors who are unfamiliar with it or do not understand the purpose it serves. Contractors who have had success working on U. T. System construction projects advise that the key is to not fear the paperwork but instead take the time and make the commitment to understand it. As mentioned below, dedicating one staff person to become the firm expert has been the best approach to achieving efficiency and continuity, as well as identifying one individual to serve as their back-up.

For HUB subcontractors, prime contractors often have dedicated staff who can also assist. U. T. System HUB Office staff can also provide recommendations regarding project administrative responsibilities. These responsibilities will be described in further detail in subsequent sections and chapters.

### 1.3.1 Staffing/Staff Development

**TASK:**  *Confirm staff expertise in all required areas*

A company’s success is driven by the expertise and skills of its staff. U. T. System construction projects require specialized expertise and qualifications for staff working on those projects. These include requirements for years of experience for certain positions, as well as specific training and certifications. Understanding these requirements can enable contractors to begin training current staff in anticipation of upcoming projects or hire staff specifically to support those projects.



It is suggested that a staff member of the contractor be assigned to become familiar with and proficient in completing and properly submitting all paperwork associated with U. T. System construction projects. It is also recommended that the designated individual cross train other staff members regarding this knowledge, as well as create files where the information is maintained to assure continuity of that information in the event of the staff person's unavailability or departure.

The U. T. System safety program sets out specific staffing requirements with associated qualifications and training requirements. These will be explained in greater detail in a subsequent chapter but serve as an example of staff expertise that should be anticipated and planned for with U. T. System projects.

## 1.4 Labor Planning

**TASK:**  *Confirm labor availability*

Construction workforce planning is critical for profitable project delivery. Constant awareness of a company's workforce status is recommended and requires companies to know their project financial capacity, man-hours a project requires, and labor available to deliver that project. It is recommended that contractors identify dependable labor before submitting proposals. This is particularly challenging during busy construction periods, as more competent staff are typically fully employed.

It is important to understand that, due to the long delivery timeframes for major capital projects, labor may not be required on a specific project until months, or possibly a year after a bid/proposal is submitted. Compiling and utilizing Work in Progress (WIP) reports provides the historical data required in tracking labor load timelines for planning such project pursuits.

If contractors choose to utilize third-party staffing companies to provide labor for their projects, they need to be aware that staff from these companies may lack necessary trade skills and safety training, and their performance may reflect poorly on your company. Their higher labor cost may also make you non-competitive on your bids or proposals or impact your profitability if you win a project. Trained employees can most effectively represent your company and protect your financial interests.

## 1.5 Financial Requirements

**TASK:**  *Plan for project financial requirements*

U. T. System capital projects are usually large and complex and are typically executed over an extended period, often taking years to complete. This extended timeframe can create financial challenges for contractors. Bonding requirements for the projects also have financial implications.

It is suggested that contractors seeking to pursue construction contracts with the U. T. System will need to have the following financial resources fully in place and available. The U. T. System HUB Office can provide resources for working capital loans and bonding.

### 1.5.1 Working Capital

One challenge associated with long project durations is having the funds to cover costs until payment can be received. Qualified staff need to be assigned to the project, and material and equipment purchased. Those costs will not be reimbursed until the work is in place and approved for payment. The anticipated timeline for receiving payment will be further detailed in Chapter 3. Payments.



Company equity or working capital loans may be needed to carry those costs until payment is received. Interest cost for any loans should be included in a business plan and budget for the project.

### **1.5.2 Cash Flow**

Another challenge is making sure that payments are received as close as possible to when expenses occur. A detailed cashflow plan should be prepared for the project, and payment applications should be submitted on a timely basis, immediately after expenses are incurred. This cashflow plan should anticipate contractor costs that will occur at the beginning (e.g., mobilization costs, bond fee, etc.), middle (e.g., labor and material costs) and end of their work (e.g., project closeout costs) so that payments can align with expenses. For contractors with multiple concurrent projects, cashflow plans for each project should be prepared and balanced between projects with both short and long durations. Poor cashflow management can impact any contractor's ability to sustain and manage growth of the firm.

As will be further described in the Bid/Proposal Preparation section in Chapter 2, it is important for contractors to plan their cashflow needs when putting their bid or proposal together to properly address the timing of their project costs.

### **1.5.3 Bonding**

**TASK:**  *Confirm bonding requirements and get pre-approved*

State law requires payment bonds on public works contracts in excess of \$25,000 and performance bonds for contracts in excess of \$100,000. These bonds, called contract surety bonds, are required to be provided by the prime contractor and are meant to protect the owner from contractor default on construction projects. The owner may also require a bid or proposal bond. The bid bond is meant to lock in the contractor's price and guarantee that the payment and performance bonds will be provided. The payment and performance bonds protect the owner and their subcontractors. Some prime general contractors require all their subcontractors to provide payment and performance bonds, while other general contractors only require them for certain trades, contracts above a certain value, or they don't require subcontractor bonding at all. Contractor's seeking work as a subcontractor should inquire whether the prime contractor will require bonds for their scope of work. U. T. System HUB Office staff can assist with understanding and addressing bonding qualification requirements.

There are certain financial statements that contractors need to understand and ensure accuracy of when seeking bonding. Bonding companies will often look at a contractor's Work in Progress (WIP) statement to see if the contractor has the overall capacity to take on more work, including manpower, materials and equipment. The WIP statement is critical to not only the bonding company but also the owners and managers of the company as it lets them know the total capacity the firm has. The bonding company will run credit reports on all owners and their spouses looking at their credit scores and looking at a firm's balance sheet to see if the firm has sufficient liquidity and the financial capacity to successfully complete a project. The bonding company will give the contractor bonding capacity based on these statements and other items.

Contractors should be selective in the bonded projects that they undertake. Because a firm is only given a certain amount of bonding capacity, once the firm reaches this limit it cannot take on more bonded projects that go over that capacity.

Bonding agents can help contractors get first time preapproval for bonding before they bid any projects, and also help in growing a firm's existing bonding capacity. But it is important for the contractor be open and communicate regularly with the bonding agent.



Bonding companies will measure the overall strength of the bonding market by looking at the total number of contractor defaults, which are driven by the economic cycles of the private sector. Public entities like UT System will have a consistent flow of projects and are not as subject to the construction cycles that the private commercial market will have.

## 1.6 Marketing

A very important step for firms considering pursuing construction contracts with U. T. System is confirming their readiness to do so and deciding where to place their marketing efforts.

Pursuing a project before being fully ready to do so can result in challenges that can be difficult to overcome. These can include an inability to stand out from the competition, lack of focus on where to compete, and difficulty being competitive on price to win work. The U. T. System HUB Office can assist HUB contractors with gathering information so that contractors can determine whether they are fully ready to pursue a project and where best to begin.

It is recommended that contractors begin by identifying what sets them apart and makes them uniquely competitive. Rather than trying to compete in multiple trades and scopes of work, it is suggested that firms initially limit the scope of services offered and focus on doing them well. In that way, firms will be able to identify the value they can bring to the market to create success.

Firms will need to decide which regional markets they wish to compete in and investigate who they will be competing against. Without a decision on which markets to focus on, business resources can get overextended. Contractors should decide where they can support projects based upon their workload and manpower capabilities. Without knowledge of the competition and what pricing they are providing, it will be difficult for contractors to know how to price their bids or proposals. Contractors should seek out information regarding winning proposals to determine current competitive market rates for their trade.

Contractors should decide which is their best entry point in terms of types of contracts and U. T. System clients. Although this guide is intended for HUB Contractors seeking to work on major capital construction projects for U. T. System, typically as a first-tier or second-tier contractor, those firms may decide to begin gaining their experience by working on projects directly for the individual U. T. component institutions. Each institution manages their own program of minor capital construction projects and Job Order Contracts (JOC) which provide contracting opportunities. It should be noted that the type of contract and administrative requirements at each institution can vary.

Subcontractors should be selective in whom they work with. They can often obtain references on General Contractors from their bonding agent or lawyer, if available. They can also obtain references from other contractors within their professional network. Not all GC's have good reputations, and it is important for the HUB firm to investigate the primes they are considering working for or with.

### 1.6.1 Work Portfolio

**TASK:**  *Compile qualifications information and work portfolio*

To be considered qualified to compete for construction contracts, Contractors will need to be able to demonstrate their prior comparable experience. This will require an investment of time to gather information regarding prior projects and putting it into a format that is clear and understandable.



Typical information that is required includes:

- Similar Project Experience, including
  - Project Name
  - Project Type
  - Contract Amount
  - Duration
  
- Scope of Work Completed
- Owner and Contact Information
- Staff Experience and Qualifications
- Safety Record
- Work Backlog

Assembling this information for the first time can be time consuming, but it will then be usable for multiple contract pursuits with minimal updates and adjustments. As mentioned above, having one person within the firm responsible for gathering and maintaining this information will help assure its consistency and continuity.

Contractors should also consider pursuing projects with other higher education and public sector clients to gain experience that can be included in their work portfolio. If successfully completed, these projects will provide valuable experience and references to be included in the portfolio of the firm.

### **1.6.2 Networking**

**TASK:**  *Begin (or continue) networking within construction community*

To be successful, it is important for contractors to establish a professional network within their construction community. The network should include owners, contractors, subcontractors, and other members of the community. One very good way for contractors to build this network is to seek out and participate in trade associations in their area, including minority and women contractor associations. The U. T. System HUB Office can assist with identifying those groups. Once contacts are made, it is important to develop professional relationships and to actively manage them.

After establishing their professional network, contractors will be able to leverage this network to be aware of upcoming construction contract opportunities.

### **1.6.3 Relationship Management**

**TASK:**  *Establish and manage professional relationships*

Relationships matter. Contractors should establish and maintain regular contact and communication with owners and prime contractors independent of specific projects they may be pursuing. If pursuing work as a prime contractor, it is important to understand the owner's goals and processes to determine how best to pursue their construction contracts. Or, if a contractor wishes to serve in a subcontract capacity, it is important to understand how different prime contractors identify and select their trade partners. This can vary, depending on the size and capabilities of the prime contractor. These professional relationships require active management to sustain them.



U. T. System HUB Office staff can provide information about business resources and contract opportunities. U. T. System project management representatives can provide information about potential upcoming projects. Contractors should seek opportunities to meet with these representatives to discuss scope interests and capabilities. Contractors should also seek to meet with representatives at the individual U. T. System campuses to identify opportunities to participate in campus managed projects.

Prime contractors often have staff dedicated to meet with HUB contractors and understand their capabilities and interests. Pre-construction staff with prime contractors regularly monitor and track upcoming projects. Being aware of upcoming work will allow the HUB contractor to plan their workload and staffing assignments to have the right staff available when those projects become available to pursue.

Prime contractors often have qualification processes in place that allow them to better understand the qualifications and capabilities of subcontractors. Contractors should consider submitting their information to prime firms in advance of a specific project procurement.

HUB contractors should also consider providing input on material and labor pricing and market trends to support a prime contractor's pre-construction estimating efforts on a project. While this will not guarantee that the HUB contractor will be awarded the contract, it can help build familiarity and confidence with the capabilities and expertise of the HUB contractor.

If possible, contractors should also seek to meet and establish professional relationships with prime contractor field staff. Doing so will allow them to better understand and plan for the prime contractor's needs and expectations once trade contractors arrive on site.

Contractors need to focus on and commit to developing and maintaining their professional relationships. Checking in continuously demonstrates that you want to be part of the project delivery team.

### **1.6.4 Project Tracking**

#### **TASK:** *Track projects and plan work pursuits*

The early tracking of potential construction contract opportunities allows contractors to plan their future project pursuits in accordance with their business plans. It is recommended that subcontractors start tracking projects well before bid/proposal documents for their trade are issued. This can be done initially by tracking early procurement and project definition actions of the U. T. System institutions and the Office of Capital Projects. In addition, following the approval actions of the U. T. System Board of Regents, as recorded in the minutes of their meetings, will confirm which projects have been added to the CIP and are approved to proceed with final design and construction.

Information regarding Board meetings can be found at

<https://www.utsystem.edu/offices/board-of-regents/meetings>

HUB subcontractors can also gain an early awareness of potential contracting opportunities by tracking design and prime construction contract procurement processes and seeing which firms are being awarded pre-construction contracts.

As U. T. System is a State of Texas entity, the various contracting groups are required to publicly post their contracting opportunities and make a good faith effort to utilize HUB contractors. When hiring prime construction firms, those capital project contract opportunities that are managed by the U. T. System Office of Capital Projects are posted on their website.



Information regarding these opportunities can be found at

<https://www.utsystem.edu/offices/capital-projects/business-opportunities>

When hiring subcontractors, responsibility for the good faith effort is delegated to the successful prime construction firm to execute. That good faith effort includes posting the project solicitation at specified public posting locations, as well as sending the solicitation to a minimum of three HUB contractor firms for each scope of work that is contracted out (i.e., not self-performed), and allowing for a minimum of seven business days following the date of notification for firms to respond. Prime contractors identify firms to receive the solicitation by reviewing the State of Texas Central Master Bidders List (CMBL) – HUB Directory, maintained by the State Comptroller. The CMBL - HUB Directory contains the names and other pertinent information regarding State of Texas certified HUB contractors.

Information regarding the CMBL can be found at

<https://mycpa.cpa.state.tx.us/tpasscmbsearch/tpasscmbsearch.do>

HUB contractor's maintenance of their firm's current information on the CMBL - HUB Directory will help prime contractors find them when distributing solicitations. Many prime contractors utilize third-party bidding and notification systems, such as iSgFt or Building Connected. Contractors responding to these solicitations will need to become familiar with using these systems.

As mentioned above, it can be beneficial to maintain professional relationships and regular communication with the U. T. System HUB Office. They can provide HUB contractors with information regarding prime construction firms that have successfully secured construction contracts with U. T. System.

Once contact with those prime firms is made, prime firm staff will also help HUB contractors with tracking upcoming contracting opportunities. Talking with prime firms who are currently providing pre-construction services on active projects will help HUB contractors understand the bid/proposal package strategy for the project and the schedule for issuance of bid/proposal documents.

When projects are in an active procurement process, typically a publicly advertised pre-bid/proposal conference is held to provide information regarding the project and to assist with access to bid/proposal documents. Contractors may consider attending a pre-bid conference even if they are not planning to bid or propose on that project to better understand the process.

At these conferences, it is recommended that attendees:

- Listen to questions asked by potential respondents
- Take business cards to distribute to attendees
- Secure a copy of the conference sign-in sheets to get contact information. These are typically issued in an Addendum to the bid/proposal package.

From this information contractors will be able to determine if a project fits their business plan and objectives.



## 1.7 Construction Safety

**TASK:**  *Anticipate staff safety experience and certification requirements*

As was mentioned earlier in the guide, U. T. System values individual workers and their safety. A construction safety program has been established that is built around safety best practices to help assure a safe construction environment. The program aims to apply those safety processes consistently across U. T. System construction projects statewide. Contractors should understand the requirements of this program before pursuing projects.

U. T. System procurement and project documents include information about the specific safety requirements. Contractors need to be aware that these requirements exceed OSHA standards in certain areas to reduce safety incidents and injuries. They also specify contractor safety staff requirements and duties, at all tiers, that have impacts on contractor staffing plans and costs. These requirements are further described in Section 2 of the Guide and contractor's prior safety performance and capability to meet these safety requirements will be considered when making a determination of contract award.

## 1.8 Business Resources

The HUB Office provides periodic training classes and workshops to enhance contractors' knowledge of the business tools, skills, and resources needed to successfully pursue and perform on U. T. System major capital projects. These include:

- The UT System Construction Subcontractor Training Program – Partnering with the Office of Capital Projects, the Office of Risk Management, and general contractors, the HUB Office coordinates a 12-to-15-hour training class covering safety, insurance, estimating, project administration, and other topics. The classes are delivered in conjunction with selected major capital projects.
- The HUB Office also, periodically, provides workshops on topics such as surety bonds, small business loans, construction accounting, and safety.

HUB Office staff can assist HUB contractors with accessing these programs.



***“If you understand your capacity and know the requirements, you can win work.”***

**Mike Vaughn**  
Vaughn Construction  
General Contractor





## Chapter 2: Putting Together a Winning Bid/Proposal

Once a decision has been made to pursue a U. T. System construction contract, contractors need to focus their competitive efforts towards projects and scopes of work that match their strengths and capabilities. Winning bids or proposals result from careful targeting of resources towards projects that are the best fit for a contractor.

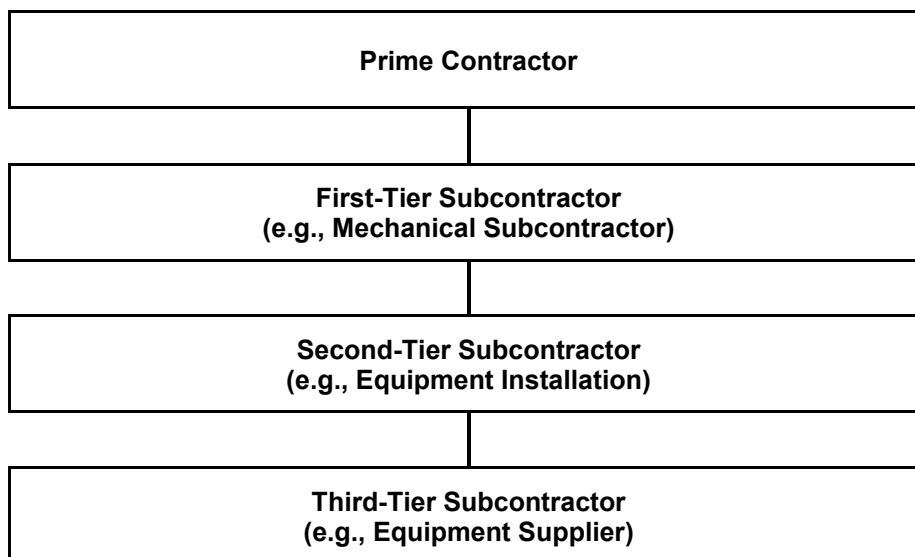
### 2.1 Competitive Focus

**TASK:**  *Understand capacity and strengths and identify competitive focus*

It is important for contractors to understand their scope, competitive focus, capacity, and the availability of competent labor so that they can perform successfully. Having a competitive mindset, and a willingness to pursue multiple projects will help assure that success. It is suggested that contractors start by pursuing smaller, more manageable scopes of work, ensuring that the project is a good fit based upon manpower availability and workload. And it is suggested that initial pursuits be for projects located close to the company's place of business to maximize efficiency and competitiveness. Pursuing a mix of projects is recommended. Smaller, faster moving projects can provide working capital to enable contractors to participate on longer term projects.

**TASK:**  *Confirm scope of work with prime contractor or project Owner*

With large construction projects, it is not always feasible for the work packages to be broken down into smaller scopes of work. Contractors, particularly firms that are just starting out and trying to find their niche, should be open to new and unique opportunities, including joint ventures and partnerships with larger firms, which can also increase the firm's bonding capacity. For example, to complete a portion of the scope of a subcontract by working as a second-tier subcontractor under the first-tier subcontractor (e.g., equipment installation under the mechanical subcontract), or as a third-tier subcontractor working under a second-tier subcontractor (e.g., equipment supplier under the second-tier equipment installation subcontract) as shown in the below diagram.





In busy economic times, there is a temptation to pursue every project opportunity. Contractors should be mindful of getting over-committed and over-extended and focus instead on being selective and growing their business in a carefully managed way with a vision of long-term, steady growth.

Once a project is identified, Contractors should conduct a thorough “Go/No Go” evaluation, based upon the above considerations, to determine whether to pursue the project. As much as possible, contractors should focus first on projects that they believe they have the highest chance of successfully winning.

## 2.2 Relationship Management

**TASK:**  *Continue Owner and prime contractor relationship management*

As mentioned in the previous chapter, HUB contractors should maintain regular communication with the owner’s project managers, HUB coordinators, as well as the prime contractor’s pre-construction managers and estimators who currently work on U. T. System construction projects and are aware of the contracting opportunities that exist within any given the institution.

It is important to be responsive to bid or proposal requests. If a contractor does not intend to provide a bid or proposal, they should inform the requestor in a timely fashion, especially since a Good Faith Effort is a requirement of the prime contractor.

## 2.3 Project Tracking

**TASK:**  *Attend pre-bid conferences for specific project pursuits*

By leveraging the networking and professional relationships, contractors should maintain awareness of projects that match their business plan and performance capabilities. It is recommended that contractors attend pre-bid conferences associated with those potential projects to learn about project details and where to access project information and documents. At these conferences, contractors can meet the Owner representatives assigned to the project and, if planning to work as a subcontractor, meet representatives of prime contractors who are in attendance and considering pursuing the project.

Contractors should be selective about choosing which projects to pursue and which partners to pursue them with. It is recommended that contractors reach out to their professional network to learn about owners or prime construction firms, including information regarding the specific staff that have been assigned to specific projects.

## 2.4 Project Information and Documents

**TASK:**  *Determine how to access project information and documents*

To prepare a bid or proposal, contractors should access project information and documents. Although hard copy documents can occasionally be found in plan rooms, most project information and documents are distributed electronically, typically via online document portals such as iSqFt and BuildingConnected, as previously mentioned. It is highly recommended that contractors have the technology systems and platforms in place to be able to access and review these documents.



Contractors should access project documents as soon as they are available so they can familiarize themselves with the project requirements and identify any questions they may have. Prime contractors can assist HUB contractors with their review of the documents and provide answers to their questions. They can also assist with assembling other information that may be required to be submitted along with their price proposal. It is important for contractors to be vocal about their information needs to avoid misunderstandings and so that they can provide a complete and responsive proposal.

Contractors are encouraged to carefully review the entire set of project documents, not just those portions specific to their trade or scope. Focus should be put on the “Front End” section of the project specifications, which place contractual responsibilities and liabilities on contractors. These include bonding and insurance requirements, training and certification requirements, prevailing wage requirements, drug testing and background checks and other responsibilities. The costs to meet these requirements and perform these duties should be included in the contractor’s bid or proposal.

It is also important to understand product requirements in the project documents so that sources and lead times can be established. With proper justification, some products may be specified as coming from a designated sole source. Product training requirements and certification requirements for installers are included. Contractors need to make sure that required certifications are in place and maintained. Product substitution requirements and processes are spelled out and can be quite rigorous. Contractors should not assume that late product substitutions will be approved.

The project documents may include specific requirements and limitations due to the project being constructed on an academic or medical campus. These might include time-of-day or day of year work restrictions, limitations on project access for people and material deliveries, or special dust or infection control requirements. Contractors need to understand these limitations as they may impact their costs and productivity projections.

During the proposal period, updates to the documents (often called “Addenda”) may be issued which add, modify or remove project requirements. Contractors should monitor the issuance of addenda and review them carefully for impacts on their bid or proposal.

## 2.5 Procurement Requirements

**TASK:**  *Understand Owner’s procurement process for each project delivery type*

As mentioned in the Introduction, U. T. System utilizes three different construction delivery methods for Major Projects: Competitive Sealed Proposals, Construction Manager at Risk, and Design/Build delivery. Those delivery methods are further described as follows:

### **Competitive Sealed Proposals (CSP)**

The CSP construction delivery method involves the hiring of a general contractor via a competitive process following completion of the project construction documents. The selection process includes Owner evaluation of price and other factors. Contractors pursuing CSP contracts will seek bids or proposals from subcontractors to include in their comprehensive proposal to the Owner. The procurement process for CSP delivery can be found in the Appendices.



### **Construction Manager at Risk (CMR)**

The CMR construction delivery method involves the hiring of a general contractor to serve as the Construction Manager for the project. The CMR is often hired during the project design phase, via a competitive process that includes evaluation of price and other factors. The CMR then provides pre-construction services during design and then provides a Guaranteed Maximum Price (GMP) for the project to the Owner. Following approval of the GMP and completion of construction documents, the CMR publicly seeks bids or competitive sealed proposals from subcontractors for the work. The procurement process for CMR delivery can be found in the Appendices.

### **Design-Build (D-B)**

The D-B construction delivery method involves the hiring of a single entity to provide both design and construction services. The D-B is hired via a competitive process that includes evaluation of price and other factors. The D-B then provides both design and pre-construction services and then provides a Guaranteed Maximum Price (GMP) for the project to the Owner. Following approval of the GMP and completion of construction documents, the D-B seeks bids or competitive sealed proposals from subcontractors for the work. The procurement process for D-B delivery can be found in the Appendices.

U. T. System projects must be publicly posted in accordance with State of Texas procurement requirements.

The selection of both prime contractors and subcontractors (under the CMR and D-B delivery methods) is typically done on a “best value” basis, considering price and other factors, not just the low bid. This requires all contractors to provide additional qualifications information which commonly includes:

- Prior experience with owner or prime contractor if applicable
- Experience with similar projects and owner contact information
- Proposed staffing and their experience
- Safety record
- Current workload and manpower information
- Financial information

Assembling this qualifications information ahead of time, as was recommended in Chapter 1 of the guide, will help contractors provide a timely response to bid/proposal requests.



## 2.6 Proposal Preparation

**TASK:**  *Review proposal requirements and provide a comprehensive proposal*

Emphasis should be placed on preparing a proposal that is clear, comprehensive, specific to the project, meets the submittal requirements, and is submitted in a timely fashion. It should describe what scope is included, what scope is not included and any other qualifications. It is recommended that it be typed, rather than handwritten. Contractors should invest in the proposal preparation so that it looks as professional as possible.

For contractors seeking subcontracts, they are encouraged to contact the prime contractor in advance of the bid/proposal date to schedule a meeting to discuss their desired scope and to jointly review the bid/proposal requirements. It is suggested that contractors prepare a draft scope sheet and qualification information for review at that meeting, which will demonstrate that you are serious about the specific project pursuit.

For HUB contractors seeking prime contracts, it is important that they carefully review and provide all the information requested in the RFQ/RFP in a compliant format. For HUB contractors seeking subcontracts, this includes reviewing the front-end documents for additional requirements, not just the documents related to their trade. Prime contractors often have an established format for them to use to submit their bid or proposal. Subcontractors who have their own pricing format can submit it along with their proposal, but it should not replace or conflict with the required bid/proposal format.

Care should be taken to provide all the information that is requested in the prime contractor's format in the order shown, and including any breakouts requested, to avoid having a bid/proposal be considered non-responsive. Filling out all the requested information helps to establish confidence with the Prime contractor that the HUB contractor fully understands the project requirements.

It is recommended that contractors submit complete pricing proposals for the entire division or scope of work to facilitate review and consideration. Exclusions can cause the bid/proposal to be considered non-responsive or cause the prime contractor to plug an inadequate price for that portion of the work that the HUB contractor may later have to work within. It is suggested instead that deductive alternates be included for portions of the scope that a contractor is unable or unwilling to perform.

Prime contractors may be able to accept partial bids/proposals or suggest other firms to partner with to provide a complete scope. It is important to discuss options and limited scope proposals with the prime well in advance of the date that the bid/proposals are due.

The bid/proposal should have sufficient details to make it understandable. Contractors providing a good breakdown of quantities and rates along with their bid/proposal will help facilitate the prime contractor's subsequent bid/proposal evaluation process.

**TASK:**  *Prepare and provide resumes for each staff position*

As described above, qualification information is often required along with the contractor's pricing proposal. It is recommended that contractors gather and maintain this information well in advance of the proposal due date, including resumes for each individual that will be assigned to the project.



Contractors need to understand if they are being asked to provide a bid/proposal based upon final construction documents or if it is based upon incomplete documents and potentially subject to future document changes. A bid/proposal based upon early, incomplete documents can put the contractor at financial risk for design completion.

The proposal needs to include the costs for meeting all the administrative requirements described in the documents, including those associated with the owner's insurance and safety programs. Underestimating the time and effort required to meet those requirements can have significant financial consequences. Time required for meetings, reviews, and inspections needs to be accounted for. All site logistics costs need to be included as well. For some space constrained projects, this may include the cost for off-site parking and transport for the contractor's field personnel.

Contractors should carefully review the project documents for any training requirements associated with their scope of work. The level of effort and time required needs to be covered in their proposal.

Contractors need to understand the project construction schedule and when during the project their work scope occurs. This might impact contractor's material and labor costs due to time of year or weather. Contractors also need to consider how any modifications to that schedule might impact them. Unanticipated construction delays can affect when work can proceed or may require contractors to accelerate their work, which can impact their work plan, staffing, and costs.

In busy economic times when construction activity is high, costs for labor and materials can escalate, and material and equipment delivery timelines can extend. Large construction projects often have long delivery schedules, and contractors may be asked to provide proposals for work scope that may not be executed for months, or even years, after their proposal is submitted. And they will be expected to deliver that scope for their proposal amount, without adjustment. Therefore, it is very important for contractors to understand cost escalation and material delivery timelines and how to reflect that in their bids/proposals. If unfamiliar with how to include escalation, contractors should seek estimating assistance to avoid potentially significant financial risk exposure for their company.

Another strategy to reduce financial risk due to cost escalation is to pre-purchase and store materials needed for a project. If the contractor is financially able to carry this cost until the materials can be put in place and payment requested, this can help avoid surprise cost increases that impact profit on a project. And some materials may be eligible for payment prior to installation, if they meet storage requirements spelled out in the project documents.

Contractors should consider including a work breakdown calculating total manhours tied to the project construction schedule along with a billing plan to support it in their bid/proposal. This should include mobilization costs for when they will occur; material, equipment, and labor costs for when they will be incurred; as well as project close out and warranty support costs. Some amount of contingency should be included as well, to address unforeseen items that may come up.

It is recommended that contractors carefully review their bids or proposals before submitting them, checking for mathematical or other errors. Often, bids/proposals are requested to be broken down by different phases or areas of work as well as a total price. These should add up properly. Contractors will be bound by their bid/proposal once it has been submitted, so it is important that it is correct.

As was previously discussed, HUB contractors need to establish and maintain their State of Texas HUB certification. They should make sure to highlight and include their HUB certification information in their bid/proposal.



Many owners and contractors utilize electronic bidding and reporting systems. Some of these systems involve a registration and setup process. Contractors need to take the time to familiarize themselves with these systems and complete the registration/set-up well in advance of the bid/proposal submittal date.

Finally, it is very important that contractors understand and adhere to the bid/proposal submittal deadlines. All the hard work that goes into preparing a bid/proposal will be wasted if the bid/proposal is not submitted before the deadline.

## 2.7 Construction Safety

**TASK:**  *Include costs to fulfill project safety requirements*

As has been previously mentioned, several construction safety requirements on U. T. System construction projects exceed OSHA requirements and can have an impact on contractors if they are not understood and included in the planning. These requirements are enforced through regular and consistent site inspections by dedicated prime contractor safety staff and by U. T. System dedicated full time and third-party safety inspectors.

There are related but different requirements for HUB contractors seeking prime contracts vs. subcontracts with U. T. System.

To secure a prime construction contract with U. T. System, respondents must be able to demonstrate their safety processes. They will be required to provide information that describes:

- Their corporate safety processes
- How they assess hazards and develop plans to deal with them
- How they train their staff to work safely
- How they communicate daily site activities and potential impacts to other trades
- How they provide safety oversight of staff
- Confirm designation of safety supervision staff and competent person:

Prime contractors are also required to:

- Develop and maintain site-specific safety plans
- Assign dedicated safety personnel with minimum years of experience, training, and certification as described in the project documents, including:
  - Project Safety Coordinator (PSC)
  - Project Safety Assistants (PSAs)
- Continuously monitor the construction site for safety hazards, record, and address findings
- Respond to safety incidents, prepare root cause analyses and implement any necessary process changes





Subcontractors also have safety related responsibilities, which require that they:

- Provide a site-specific safety plan
- Assign safety personnel with minimum years of experience, including
  - Subcontractor's Safety Representative (SSR)
- Provide evidence of specified training and certification as described in the project documents, including OSHA 30-hour certification for the SSR
- Prepare and submit for approval daily Job Hazard Analyses (JHAs)
- Participate in safety hazard monitoring and incident response efforts

Subcontractors will need to train multiple staff to meet the SSR requirements so that they will have coverage in the event of illness, injury or if the designated SSR leaves the firm. These staffing qualifications and time commitments need to be thoroughly understood so that contractors can adequately incorporate the costs in their bid or proposal.

## 2.8 Administrative Responsibilities

**TASK:**  *Include costs to fulfill project administrative requirements*

Due to U. T. System construction projects involving the expenditure of public funds, several administrative responsibilities are set out in the project documents that have staff qualification and time commitment impacts. These need to be covered in the contractor's bid/proposal. They include:

- Requirements to provide certified payroll
- Prevailing wage requirements and forms
- Requirements to provide change pricing and change work
- Safety requirements (e.g., additional personnel, qualifications, training)
- Tax exempt status of project
- Management of ROCIP enrollment and other reporting requirements
- Construction meeting requirements
- Shared construction site cleaning requirements
- Project financial audit support

These requirements may be more than what most contractors are familiar with and can have a financial impact if not included in the planning. For example, not understanding the tax-exempt status of the project may result in a bid/proposal that is higher than necessary, thereby making it non-competitive.



## 2.9 Bid/Proposal Evaluation Process

**TASK:**  *Follow up regarding bid or proposal outcome*

Contractors need to understand what happens once their bid/proposal is submitted to the owner (for prime contracts) or to the prime contractor (for subcontracts).

For prime contracts, the owner sets out in the RFQ/RFP documents the criteria that will be utilized for selection of the “best value” respondent. Following receipt of respondent submittals, a review is completed to assure that they meet HUB Good Faith Effort (GFE) requirements. Then a selection committee typically composed of U. T. System and component institution representatives reviews the submittals and scores them in accordance with criteria scoring and weighting values previously established by the committee. The weighted scores are combined, and the “best value” respondent is identified and recommended for award [See Appendix 2 - Sample CMR RFQ Evaluation Worksheet].

For subcontracts, the prime contractor receives bids/proposals in accordance with the requirements set out in the procurement package they have issued. These requirements include a request for pricing and for other qualifications information. The prime contractor must complete a scoping and evaluation process to identify the “best value” subcontractor for each trade or scope.

The first step they need to complete is to confirm that all the subcontractors for a given scope of work have provided a complete bid/proposal for that scope. If information from any subcontractors is missing or needs clarification, they may follow up with that subcontractor to complete that information. This process may be misunderstood as “bid shopping”, but it is not. Instead, it is done to assure that all bids/proposals can be compared fairly against each other to identify the subcontractor who has provided the best price for the full scope of work. Once the prime contractor has completed this comparison, a pricing score can be applied to the bids/proposals received [See Appendix 3 – Sample Subcontractor Pricing Worksheet].

In the second step, the prime contractor evaluates the qualifications information provided by the subcontractors. The prime contractor scores the information provided in accordance with criteria and weighting established prior to issuance of the package. A qualifications score is applied to the bids/proposals received [See Appendix 4 – Sample Subcontractor Proposal and Qualifications Worksheet].

With the price scoring and qualifications scoring completed, the prime contractor can then identify the “best value” subcontractor to recommend for award for each trade/scope of work. Subcontractors need to understand that, depending on the complexity of the project and the number of proposals received, this evaluation process can take an extended period. The prime contractor will not be able to communicate with subcontractors until they have submitted their award recommendations to the owner and received the owner’s reply.

Due to insurance and/or bonding requirements, prime contractors will often also complete a financial review of subcontractors to confirm they meet minimum financial requirements before a subcontract is provided. To qualify, contractors will need to be able to demonstrate good credit and sufficient liquidity.



Unsuccessful prime or subcontract respondents have an opportunity to learn from the selection process where they may have been deficient as compared to other respondents and have opportunities for improvement. A de-brief meeting can be scheduled with the selection committee chair or the prime contractor to gather this information to inform future project pursuits. Although these meetings must wait until after the contracts have been awarded, the U. T. System HUB Office is available to help coordinate and schedule these de-brief meetings.

***“With skilled staff and proper oversight, you can protect your interests and your profit.”***

**Jeff Postell**

Post L Group

Construction, Drywall, Heavy Highway Management





## Chapter 3: Successfully Executing the Work

After putting together a winning proposal and securing a construction contract, contractors need to focus next on being fully prepared to execute it successfully. This includes understanding the importance of constant communication and positive relationships with the construction team, staying up with the latest project documents, and maintaining required staffing. It also involves timely attention to administrative responsibilities, participating fully in the construction safety program, and understanding project schedule status. Finally, it includes assisting the construction payment process, working to achieve high quality construction, supporting changes in the work, and helping with achieving a timely project closeout.

### 3.1 Relationship Management

**TASK:**  *Focus on field level relationship management*

To successfully execute their scope of the construction project, HUB contractors need to be mindful of their professional relationships with the entire construction team. Care should be taken to establish relationships based on trust and focused on common goals. Any relationship challenges should be addressed immediately to avoid conflict on the construction site.

HUB contractors should work towards building strong relationships with the prime contractor's on-site production and safety staff. Miscommunication with these project staff members will impact the HUB contractor's ability to get underway with and successfully complete their scope.

HUB contractors should also work to build professional relationships with other trade contractors on the project and understand their challenges. This will facilitate better coordination of related and supporting work scopes.

### 3.2 Communication

**TASK:**  *Focus on field level communication*

Communication of contractor's work plans, progress, and challenges needs to be frequent and continuous throughout the course of the project. This will allow the prime contractor to provide guidance and respond to any concerns in a timely fashion before they impact the project. It is important to not delay communicating when challenges are encountered.

It is important to stay current with the project status and know what is occurring on site. For example, unanticipated project schedule delays may have an impact on contractor's material deliveries and manpower projections.

All contractors need to be timely in responding to any correspondence related to the project. These can include Requests for Information (RFIs), Pricing Requests (PRs), and other project related correspondence. Response times can impact work progress and the project schedule, so contractors should treat this correspondence as a high priority to address as quickly as possible.

It is very important for contractors to document in writing and communicate their issues and concerns, to protect their business interests.



### 3.3 Project Information and Documents

**TASK:**  *Access latest project information and documents*

Unforeseen site conditions, missing or incorrect information, or design changes can result in updates to the construction documents. To successfully execute their work scope, contractors need to make sure that they are working from the latest approved documents. This will help the contractor avoid rework.

As was described above for bid/proposal documents, the construction documents, updates to those documents, and construction correspondence are commonly transmitted electronically. HUB contractors will need to become familiar and proficient with the digital platform being utilized by the owner and prime contractor so they can access these documents.

### 3.4 Staffing Requirements

**TASK:**  *Confirm staffing requirements met*

All contractors are required to designate on-site dedicated supervisory and safety staff for the project. These staff help assure proper coordination of the work with the prime firm and other trade contractors, and coordination of the site safety program. Contractors should assign experienced staff who are familiar with the project requirements, knowledgeable regarding the contractual obligations of the firm, and can protect and defend the contractor's business interests.

It is recommended that the contractor assign a lead staff person for on-site work. This individual, whether designated as project manager, foreman, or lead technician, should have access to the internet and the ability to login to the prime contractor's digital platform to see the latest construction documents. They will be responsible for managing the work of on-site work crews and monitoring production and quality issues. They will also be responsible for coordinating their work with other trade contractors.

As was previously mentioned, contractors will have mandatory safety staffing requirements whether they are working as prime contractors or subcontractors. Required prime contract staff include a dedicated Project Safety Coordinator (PSC) and a designated number of Project Safety Assistants (PSAs) based upon total construction value and the volume of construction personnel on site. PSC and PSA staff must be approved by U. T. System safety personnel. HUB contractors working at a subcontract tier must designate a Subcontractor's Safety Representative (SSR). This individual may have other duties but must be on the project site when any of the subcontractor's work is being performed.

### 3.5 Administrative Responsibilities

**TASK:**  *Initiate and sustain project administrative responsibilities*

Administrative responsibilities for the project kick into high gear once a contract is awarded. Contractors should be dedicated and diligent to stay up with required paperwork. Failure to do so can result in impacts to the project and potentially delay payments to the contractor. Administrative responsibilities include:



### **3.5.1 Agreement Execution**

The first and very important step will be to successfully negotiate and execute the agreement with the owner or prime contractor. Timely execution of the agreement will allow the contractor to proceed with the work.

Contractors need to make sure that they fully understand the agreement and its associated financial liabilities and risk transfer. It is recommended that they complete a thorough review of the agreement and seek the assistance of outside legal counsel for clarification of legal terms and requirements, if necessary.

### **3.5.2 Insurance**

Before they will be allowed on the construction site, contractors will be required to complete their enrollment in the U. T. System ROCIP insurance program. As previously mentioned, the program and enrollment are managed by a third-party administrator working for the U. T. System Office of Risk Management.

Contractors are required to coordinate with the insurance administrator and provide initial information for enrollment as well as ongoing reporting to support the program. It is recommended that contractors complete all enrollment requirements and ROCIP setup activities as soon as possible following contract execution to avoid any delays with being able to access the construction site to complete their scope of work.

Contractors are also required to provide proof of insurance for additional coverages outlined in the project specifications, including auto and additional liability coverages.

### **3.5.3 Labor Requirements**

Contractors must ensure that they can provide a consistent, dependable workforce that can deliver a safe, profitable project. That will help assure a positive project delivery experience and quality work. As previously mentioned, labor planning, based on subcontractor Work in Progress reports, is essential in project planning, start-up, and closeout.

On certain campuses and projects, contractors are required to complete criminal background checks on staff before being allowed to commence work. These checks can take time and do have some cost, so contractors are encouraged to initiate them early to avoid delays in accessing the construction site.

Drug and alcohol testing with proper evidencing documentation of all contractor staff is required, within 2 weeks, before being allowed on site. Re-testing may be required following any on-site safety incident.

As mentioned previously, the U. T. System requires that prevailing wages be utilized on their projects. Contractors must plan to pay no less than those prevailing wages and be prepared to provide certified payroll records to confirm them.

### **3.5.4 Meetings**

All contractors are required to attend construction meetings intended to initiate, coordinate, and maintain work progress of the work and provide status reporting. These will include a project construction kick-off meeting, safety kick-off meeting, pre-installation meetings, weekly “toolbox” or project safety briefings, and ongoing trade partner/subcontractor coordination meetings. Attendance at these meetings will inform the contractor regarding project status and coordination issues.



It is recommended that contractors take work scope pre-installation meetings seriously and attend them fully informed and prepared to discuss their work scope and plan. These meetings will help identify any potential work impediments before they arrive on site and allow them to do their work promptly and meet business goals.

It is also recommended that contractors begin attending the recurring trade partner coordination meetings at least one month in advance of the beginning of their work scope, throughout its duration, and continue periodically after their scope is completed.

### **3.5.5 Work Plan**

Prime contractors will be required to prepare a detailed Work Breakdown Schedule (WBS) that describes how they intend to execute the work, to review that plan with the owner, and make adjustments as needed to coordinate with other work or changes in the project or schedule. Subcontractors may be required to provide or review a WBS for their scope to support the prime contractor's responsibilities in that regard.

### **3.5.6 Submittals**

All contractors are required to complete product submittals and submit them for approval before they purchase the materials or equipment that they will be providing to the project for their work scope.

Preparation of the subcontractor submittals should be done in close coordination with prime contractor's staff. Submittals can be time consuming, and care should be taken to fully meet the specified document requirements to avoid rework and resubmittal.

It is highly recommended that contractors begin immediately to prepare and complete their submittals rather than waiting until closer to when their scope begins on site. Timely completion of submittals will provide time to address any questions or issues, and early approval allows the contractor to order materials and avoid backorders on items or any market cost increases. This is particularly important during periods of high construction activity, as price escalation may result in material costs that exceed the amount allowed for in the contractor's proposal. Material delivery delays may impact the contractor's ability to meet their contractual completion obligations.

Contractors should not assume that product or material substitution requests, even those necessitated by delivery challenges, will be approved. Early, advance communication with the Owner and prime contractor are recommended.

It is suggested that contractors learn and fully understand the Owner's design and construction standards and expectations, and actively work to help the Owner achieve and sustain those standards. In doing so, contractors will demonstrate their long-term commitment to the Owner's construction program. Trade contractors can then serve an important role by sharing that knowledge and expertise with new design professionals and prime contractors on projects and leverage that expertise by highlighting it when pursuing future projects.

Contractors may be able to receive payment for purchased materials and equipment before they arrive on site if they meet specified off-site storage provisions of the project specifications.





### **3.5.7 Site Access**

U. T. System capital projects are typically located on busy, congested academic or medical campuses. This requires that strict protocols be put in place to manage access to these construction sites to assure the health and safety of workers and the students, faculty, and staff on those campuses.

Assigned worker access is managed through a project safety orientation and issuance of a photo ID badge. HUB contractors should coordinate with the owner or prime contractor to ensure that all contractor staff members have the proper identification in place to allow them to access the construction site.

Parking for contractor's staff may or may not be available on or near the project site. HUB contractors need to coordinate with the prime contractor regarding any parking restrictions and develop a plan for parking if there is not a project-wide solution.

### **3.5.8 Site and Material Management**

All contractors are required to maintain a secure, well-illuminated, clean and orderly construction site or assist the prime contractor with doing so. Commonly, subconsultant agreements require trade contractors to provide staff to participate in consolidated work crews to support ongoing cleaning efforts.

Contractors need to be aware of on-site material storage availability and limits as that will affect material ordering and deliveries. While some projects may have adequate lay-down and material storage areas, others may be limited and require off site material breakdown or "just-in-time" delivery of smaller quantities of materials. There may also be limits on time of day or day of week that materials can be delivered to the project site, as well as limits on delivery routes. This can affect delivery costs and should be understood in advance.

### **3.5.9 Record Documents**

The project plans and specifications spell out requirements for record documents that must be maintained during the course of construction and submitted at completion. All contractors need to be aware of these requirements so that they can anticipate their staffing needs to assist with this effort.

As-built drawings capture modifications to the project resulting from putting the work in place. These drawings are required to be maintained daily during construction for the contractor to receive progress payments for the work. HUB contractors need to plan to continuously provide information to assist with the maintenance of drawings associated with their work scope as it is put in place.

Record documents also include operations and maintenance (O&M) manuals, product data, warranties and certifications. It is recommended that contractors complete and submit this information as soon as possible to help expedite project close out and receive final payment.

## **3.6 Construction Safety**

**TASK:**  **Complete project safety requirements and support safety activities**

There are several safety requirements for U. T. System projects that must be completed prior to being allowed onto the project. There are other requirements that must be completed prior to actual work start



on the project. Full participation is mandatory. Staff may either not be allowed on the project initially or removed from the construction site for non-compliance. There are also regular and recurring safety meetings that contractors will be required to participate in.

### **3.6.1 Training and Certifications**

All contractors must provide evidence to confirm that assigned staff have completed mandatory training and certification requirements before those staff can report to the project site. This information will be reviewed for completeness and compliance by the owner's designated safety personnel. Mandatory drug and alcohol testing, as spelled out in the project requirements, must also be completed.

Any changes to prime contractor safety staff (PSC, PSA), due to staff injury, illness or departure will require that new safety staff be reapproved by the owner. Interim staffing must also meet all qualification requirements and no gap in site safety coverage is permitted.

### **3.6.2 Site Specific Safety Plan**

All contractors are required to prepare and submit for review and approval a site-specific safety plan for the project. This plan takes into consideration all aspects of the site where the work will occur and how to execute the work safely. It must also include how staff will receive safety training. This plan will also be reviewed for completeness and effectiveness before contractors can begin work on site.

### **3.6.3 Safety Kick-Off**

A safety kick-off meeting will be conducted at the beginning of the construction period. All contractors are required to attend this meeting. All project assigned construction staff are required to complete a project safety orientation and receive and display evidence of that training completion (photo ID badge) while on site.

### **3.6.4 Equipment**

All construction equipment must be inspected daily and prior to use. Documented evidence of training specific to the make and model of each piece of equipment must be provided before that equipment can be utilized on site. Rejection of non-compliant equipment or training can result in productivity losses and associated financial impacts.

### **3.6.5 Hazard Identification**

A mandatory Job Hazard Analysis (JHA) must be prepared by each subcontractor each day prior to work start. The JHA needs to accurately describe the site and work conditions, the work that will be performed, any safety hazards associated with that work, and how those hazards will be mitigated. The JHA must be reviewed with and acknowledged by the contractor's work crew and reviewed and approved by the prime contractor's Project Safety Coordinator (PSC) or Project Safety Assistant (PSA) before daily work can begin or if work task(s) changes during the workday

The Subcontractor's Safety Representatives (SSR) will be required to attend safety meetings, participate in hazard identification inspections on the project and manage correction of any safety deficiencies associated with the subcontractor's work scope.



### 3.6.6 Incident Response

Any injuries, near misses, physical damage to property or other serious incidents as described in the project documents requires an incident response and review. Contractors, to the extent of their involvement, are required to participate in the incident response and mandatory follow up, including the preparation of a Root Cause(s) Analysis (RCA) and action plan to prevent a repeat incident. It is recommended that the SSR complete accident investigation training.

These safety responsibilities likely exceed those previously encountered by contractors who have not worked on U. T. System projects, but they serve to create safe construction work sites that demonstrate the value that U. T. System places on individual worker safety.

## 3.7 Construction Schedule

**TASK:**  *Monitor and support project construction schedule*

It is important for contractors to fully understand the construction schedule, when their work occurs during that schedule, and how they can best execute their work to avoid impacts to the schedule. Contractors need to manage their labor and production to effectively complete their scope when required so that they can protect their profit.

### 3.7.1 Liquidated Damages

U. T. System construction contracts stipulate a mandatory completion date and financial liabilities for late completion, typically in the form of liquidated damages, or “LDs”. These LDs are typically a fixed dollar amount for each day that project completion exceeds the contract completion date and can quickly grow to a large sum. Prime contractors are liable for this amount and often include language in subcontract agreements for subcontractors to share this liability.

### 3.7.2 Schedule Maintenance and Recovery

U. T. System has established Primavera P6 as the mandatory software program for creating and maintaining the construction schedule, and the format and information for monthly reports. HUB contractors will either manage the P6 schedule (as primes) or contribute to it (as subcontractors).

Contractors whose work scope occurs in the later stages of construction should be aware of the potential for delays occurring early in the project that may impact their ability to initiate and complete their work. This can result in circumstances where they are asked to compress and accelerate their work to avoid late completion of the overall project and assessment of LDs. It is suggested that this potential impact on workload and manpower be anticipated by the contractor. And it is also suggested that contractors actively manage their work to avoid overtime and its impact on their profitability.

## 3.8 Payments

**TASK:**  *Understand project payment process and plan for payment timelines*

In Chapter 1 of the guide, it was recommended that HUB contractors have working capital in place to cover material and labor costs until payment can be received. It was also suggested that they plan their proposed payment requests to align with their cash flow needs and address those expenses as close as possible to when they are incurred.



On U. T. System construction projects, payments can only be made for work in place that has been properly inspected and approved, or for off-site material and equipment stored in full compliance with stored material provisions in the project specifications. Applications for payment must be reviewed for confirmation of work in place, accuracy of percentage completion requested in the billings, and must be mathematically correct.

### **3.8.1 Payment Application Format – Schedule of Values**

The U. T. System requires that payment applications be submitted in a specific format that provides a detailed breakdown of project costs, percentage complete, prior payments made, and current requested payment amounts. This format, referred to as the “Schedule of Values”, or “SOV” is submitted for payment requests, either directly to the prime contractor or through their online payment system. An example of the SOV is provided in the Appendices.

### **3.8.2 Pay When Paid Clause**

Most subcontract agreements include a “Pay When Paid” clause, stating that the subcontractor will be paid only after the prime contractor has received payment from the owner. Following receipt of payment from the owner, the prime contractor has 10 days to make payment to their subcontractors. If a HUB firm is working at a second-tier, the first-tier subcontractor has an additional 10 days to make payment to them following receipt of payment from the prime firm.

### **3.8.3 Time to Payment**

Payment requests are submitted to the owner at the end of each month for work completed in that month. Prime contractors typically request that subcontractors submit a projection of their payment requests, 7 to 10 days before the end of the month. The prime contractor reviews the subcontractor payment request to confirm the accuracy of the work in place that is claimed.

The prime contractor combines the payment requests from all subcontractors and suppliers and submits a draft of the payment application to the owner’s on-site project management staff for a preliminary review. The owner’s staff also confirms work in place, reviews for mathematical accuracy, and provides review comments to the prime contractor. After any necessary corrections or adjustments are made, the prime contractor formally submits the payment application to the Owner. This is the official start of the payment clock.

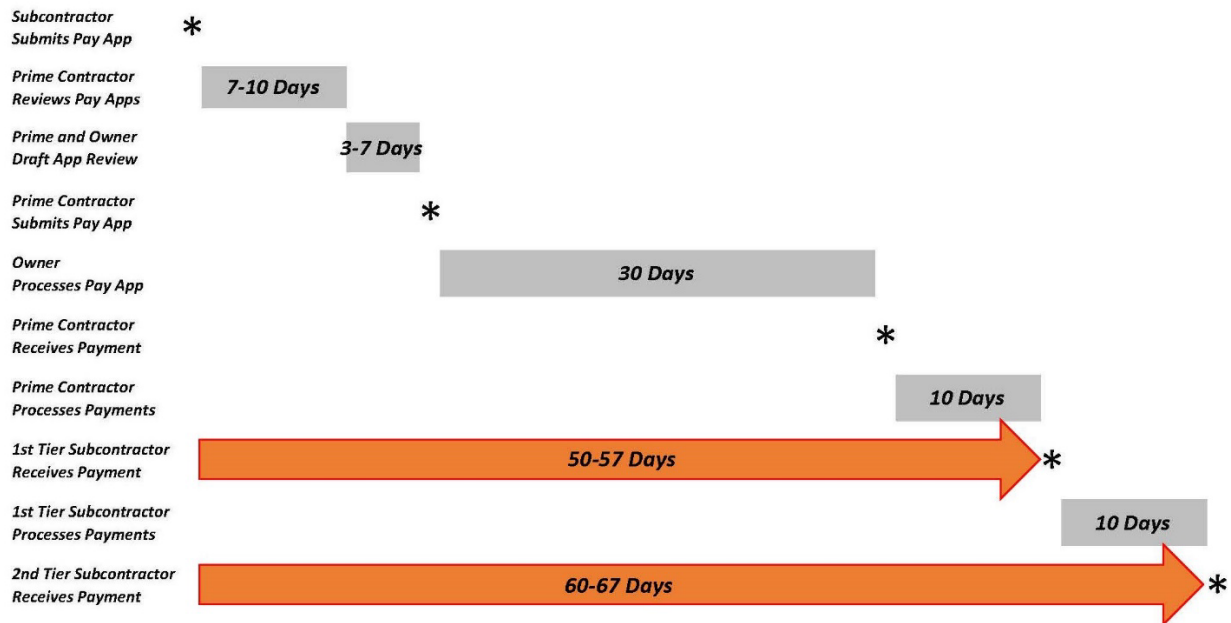
The State of Texas Prompt Payment Act requires U. T. System to make payment for properly completed and submitted payment application within 30 days of receipt, or to pay an interest penalty to the contractor based the duration of the payment delay and a percentage of the balance due. Assuming that there are no problems with the payment application, U. T. System has processes in place to help ensure that payments can be processed before owner interest penalties accrue.

For planning purposes, prime HUB contractors should anticipate payment will be received within 30 days of submittal of their fully reviewed and approved payment application. Subcontractors working at the first-tier should therefore anticipate that their payment will be received 50 to 57 days from when they submit their payment application to the prime firm. Second-tier subcontractors should anticipate payment 60 to 67 days from when they submit their payment application.



Any problems discovered after the payment application has been formally submitted may require that the application be resubmitted, resulting in a re-start of the 30-day Prompt Payment clock and additional delay in receipt of payment. All contractors should ensure their payment applications are accurate and properly broken down into the required level of detail to support review and payment. An improperly submitted payment application by one subcontractor can impact and delay payment to all subcontractors.

Some prime contractors put programs in place to assist small subcontractors needing payment sooner. HUB contractors should advise the prime contractor of any financial challenges so that they have an opportunity to address them for the benefit of the project.



### 3.8.4 Retainage

U. T. System construction contracts stipulate that 5% of each payment application be retained by the owner to cover completion costs in the event of contractor’s failure to complete the work. This retainage amount is deducted from each payment application and held until the completion of the project. This can have an impact on contractor’s working capital, cash flow and ability to get their bond released following completion of their work. For subcontractors whose work scope occurs early in the project, their retainage may be held for a couple of years. In certain circumstances, a partial release of retainage by the owner can be requested and may be approved. It may also be possible for subcontractors to negotiate a reduction in their retainage percentage with the prime contractor, but contractors should anticipate the financial impact if that is not accepted.

## 3.9 Construction Inspections

**TASK:**  *Understand quality expectations and construction inspection process*

As mentioned earlier in the guide, one goal of the U. T. System is to provide high-quality facilities needed to support the unique missions of U. T. component institutions. Owner inspections will occur throughout the course of construction. Contractors need to anticipate how these inspections will impact their work processes and staffing.



### **3.9.1 Quality**

The U. T. System requires that a Quality Assurance/Quality Control (QA/QC) process be utilized on their construction projects to confirm that work in place meets the quality and performance requirements included in the project documents. The prime contractor is required to designate staff responsible for managing the QA/QC process. All contractors are required to participate in the process and designate staff responsible for quality oversight for their work. Contractors who focus on quality avoid rework and its impacts on productivity and profitability.

The process begins with review and approval of product submittals to assure compliance with project document requirements. Any manufacturer required installer certifications are also reviewed and confirmed. As previously mentioned, contractors need to make sure to maintain product installation certifications. Materials and equipment are ordered and inspected upon arrival to confirm that they match approved submittals.

For each major trade scope, a pre-installation meeting is held on site before that scope begins. The meeting includes representation from the owner, prime contractor, and all affected subcontractors and suppliers. Any required owner or contractor testing entities also attend the meeting. Attendance at these meetings is mandatory, so contractors should plan accordingly.

The pre-installation meeting consists of a review and discussion of the upcoming work scope, the trades involved, the sequence and schedule of the work, and expected quality outcomes. Contractors need to be fully informed regarding project document requirements for their scope of work so that they can actively participate in the meeting and bring forward any issues or concerns. This will allow time for those issues to be addressed in advance of that work scope getting underway.

On some projects, detailed construction quality and/or performance mockups are required by the project documents. The prime contractor is responsible for coordinating with the applicable trade contractors the timely delivery of materials and the labor needed to assemble the mockup for review. Once completed, the mockup is reviewed by the owner, the design team and the contractor to identify any constructability, performance or quality issues. Modifications are made to the mockup until it is considered acceptable, then it is approved by the owner for that scope of work to proceed on the project.

In the absence of required mockups, it is recommended that subcontractors complete a small portion of their work scope to serve as an in-place mockup for owner and prime contractor review and approval before proceeding with the balance of their scope. It is very important that contractor staff who participate in the in-place mockup review understand the resulting quality expectations and share that information with other staff who will be working on the project.

### **3.9.2 Rework**

As the work proceeds, owner and contractor inspections will occur at intervals designated in the project documents. The prime contractor will typically maintain a deficiency log and provide it to subcontractors so that they can correct their deficiencies during the course of the work.

Owner's staff will inspect the work to assure that it fully complies with the project documents, without exceptions. All contractors need to understand that they are accountable to deliver the level of quality stipulated in the contract documents or will be required to remove and replace their work until it is considered compliant.



## 3.10 Changes in the Work

**TASK:**  *Support construction change pricing and implementation*

As mentioned above, changes can occur during construction. These changes can result from unforeseen conditions encountered on the project site, conflicts between building systems and elements, or a decision to modify the design. Contractors will be asked to evaluate these changes for any impacts to their pricing proposal or work schedule.

### 3.10.1 Change Pricing

Contractors should promptly review and respond to pricing requests received from the owner or the prime contractor. Pricing information will need to be submitted in an approved format, and markups for overhead and profit are limited to the percentages spelled out in the project documents. The pricing proposal is carefully reviewed by the owner, prime contractor, and design team. Depending on the quantity of changes and availability of staff to review them, this review process can take an extended period of time. Contractors may be asked to adjust their proposal following review if quantities or mathematical errors are discovered or if labor and material costs are considered above industry norms.

### 3.10.2 Change Implementation

In certain circumstances, contractors may be asked to proceed with the change work prior to final negotiation of the price for that work. This may be deemed necessary due to the sequence of the work and the need to avoid impact to the overall project schedule. The intent is for contractors to be fairly compensated for the additional work following a careful review of the pricing proposal.

## 3.11 Project Closeout

**TASK:**  *Participate in project closeout activities*

Before the project can be accepted by the owner and final payment received, the project must go through final review and inspections, and project closeout documentation must be submitted and approved. HUB contractors will have an important role in this closeout process. Timely completion of contractor's closeout activities, prior to being pulled away by other projects and priorities, will enable the contractor to receive their payment retainage and releases for the project.

### 3.11.1 Final Inspections

As the work is completed and the project draws to a close, final inspections will occur. These will begin with pre-inspections by the prime contractor, followed by inspections by the owner and design team. Deficiencies will be identified and recorded in a final list for correction, referred to as a "punchlist". It will be the HUB contractor's responsibility to address the deficiencies identified for their work in the punchlist until it is considered compliant. If non-compliant work is excessive, this will delay final completion of the project and potentially trigger assessment of LDs. Contractors need to be aware of this potential and plan the manpower to complete punchlist items.

### 3.11.2 Audit

The U. T. System utilizes the services of third-party audit companies to conduct in-process and final audits of their construction projects. The purpose of these audits is to identify inappropriate or unallowable charges that may have occurred on the project. Resolution of the audit findings is a precondition for final payment on the project.



Completion of the audit process requires the participation of the prime contractor and subcontractors, and submission of project payroll and project cost information as requested to address questions identified by the auditor. Contractors need to be aware that errors found in their pricing, charges, or payments may result in adjustments to their final payment.

### **3.11.3 Closeout Documentation**

As described under the Record Documents section above, contractors need to continuously maintain their record documents so that they can be submitted in a timely fashion to achieve final completion and final payment on the project. Coordination with the prime contractor will confirm that all required documents have been provided.

### **3.11.4 Insurance Closeout**

There are final administrative requirements of the ROCIP program that need to be completed to achieve final closeout. The U. T. System insurance administrator can provide details regarding these requirements.

***Being aware of these requirements can enable contractors to assign staff and put processes in place to address them, resulting in a successful construction execution. HUB contractors can then build on that success to secure additional projects.***





## Summary

*This guide has explained how important Historically Underutilized Business participation is to the U. T. System in the delivery of its capital construction program. It describes what HUB contractors need to know when considering seeking these contracting opportunities, suggestions for putting together a winning bid/proposal, and important information to help contractors achieve a successful execution of their work.*

*We hope it has been informative and will be helpful for HUB contractors considering pursuing U. T. System construction contracts. The HUB Office is available to answer any questions regarding the U. T. System capital program and is ready to assist interested firms in their contract pursuits.*

*Thank you for your interest in U. T. System capital construction projects!*

# APPENDICES





# APPENDIX 1: Acknowledgements

The U. T. System HUB Office would like to thank the following individuals and organizations for the contribution of their expertise in the development of the information for this guide:

## Construction Subject Matter Experts: June 2020, First Edition

### Historically Underutilized Business (HUB) Firms

- Sharon Cavazos, ProSound, Inc.
- Carlos and Gina Esteves, COE Concepts
- Cloteal Haynes, Haynes-Eaglin-Waters
- Eugene Walker, EJ Smith Construction

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- Dwight Runkels, Hensel Phelps Construction
- Mike Vaughn, Vaughn Construction

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## Construction Subject Matter Experts: September 2022, Second Edition

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- Carlos and Gina Esteves, COE Concepts
- Sherrill Lester, QMF Steel

### General Contractors

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- Matt Elder, Evan McKee, Whiting-Turner Construction
- Dwight Runkels, Mark Clarke, Russel Rankin, Hensel Phelps Construction
- Mike Vaughn, Vaughn Construction



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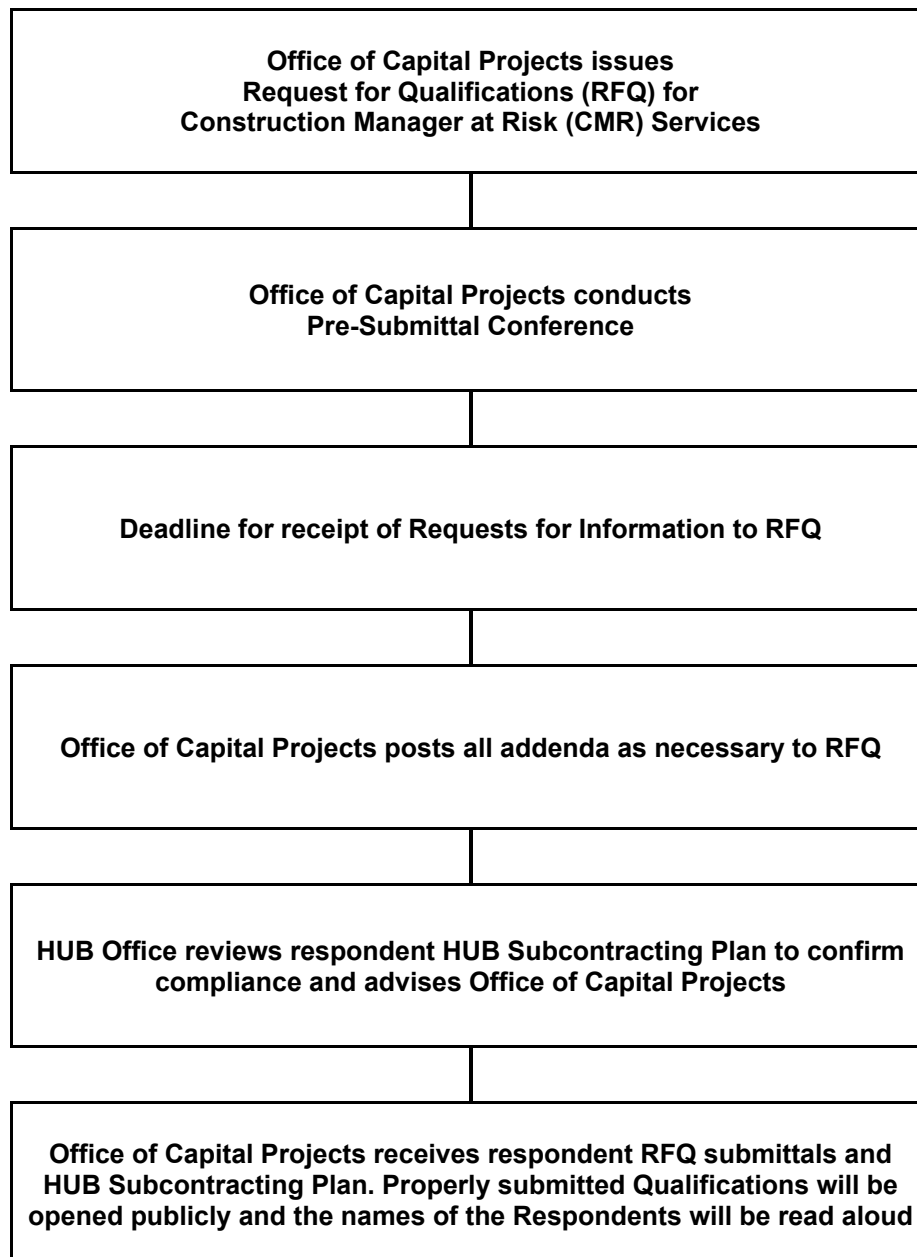
- Anthony Calabrese, Merrill Stanley, Project Control of Texas
- Richard De Leon, Scott, Naylor, U. T. System Office of Capital Projects

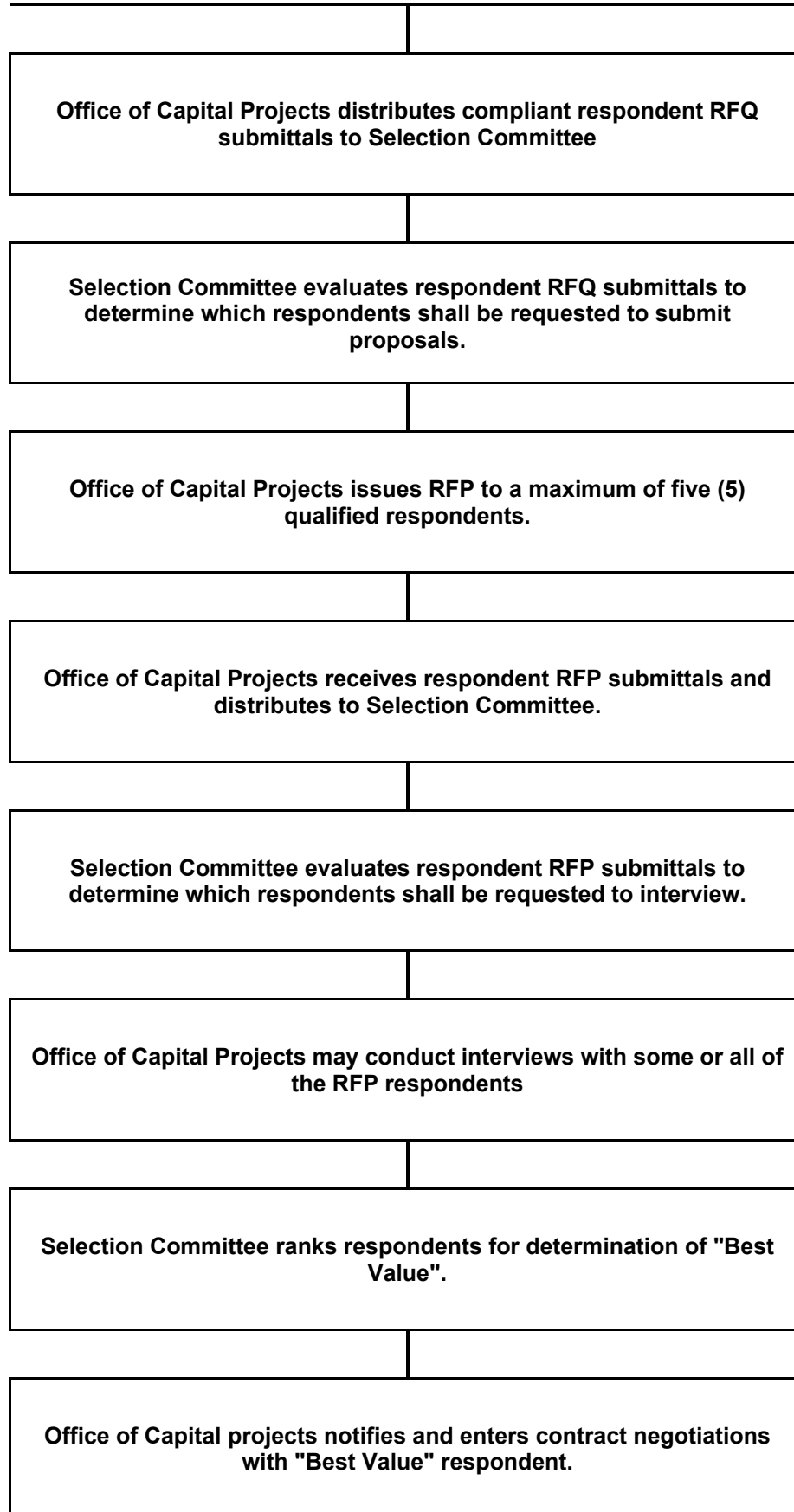
#### Consultants

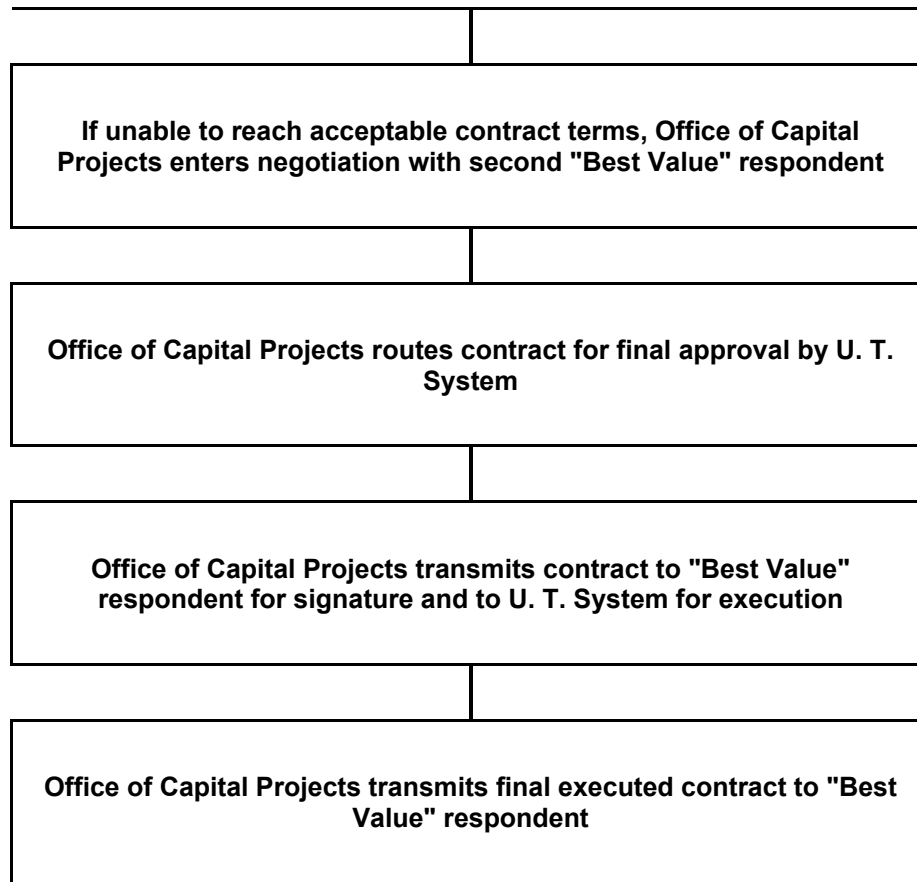
- Bob Rawski, Bob Rawski PLLC
- Darryl Samuels, D. Samuels & Associates, LLC
- Luke Ortega-Luper, SWMBE Bonding



## APPENDIX 2: Construction Manager at Risk (CMR) Procurement Process

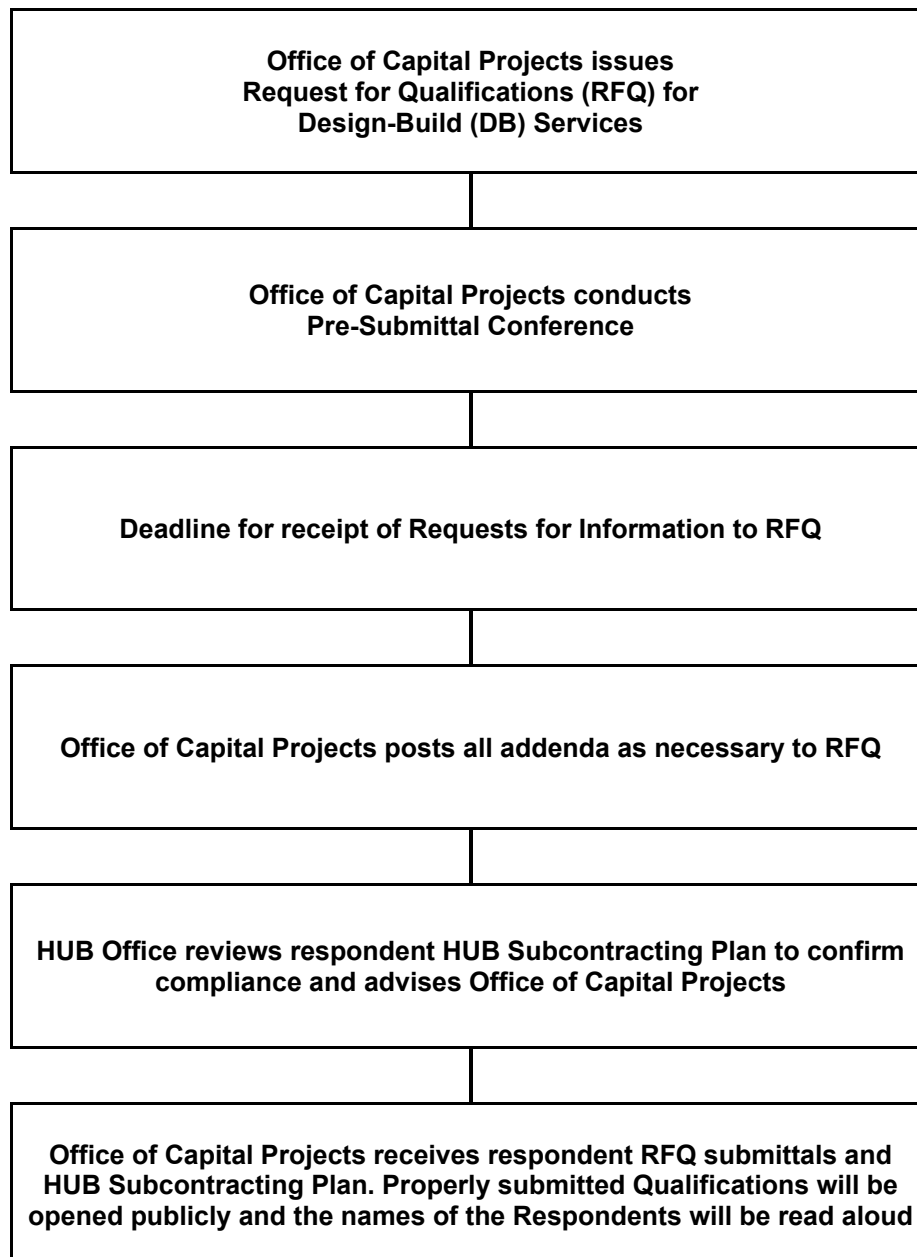




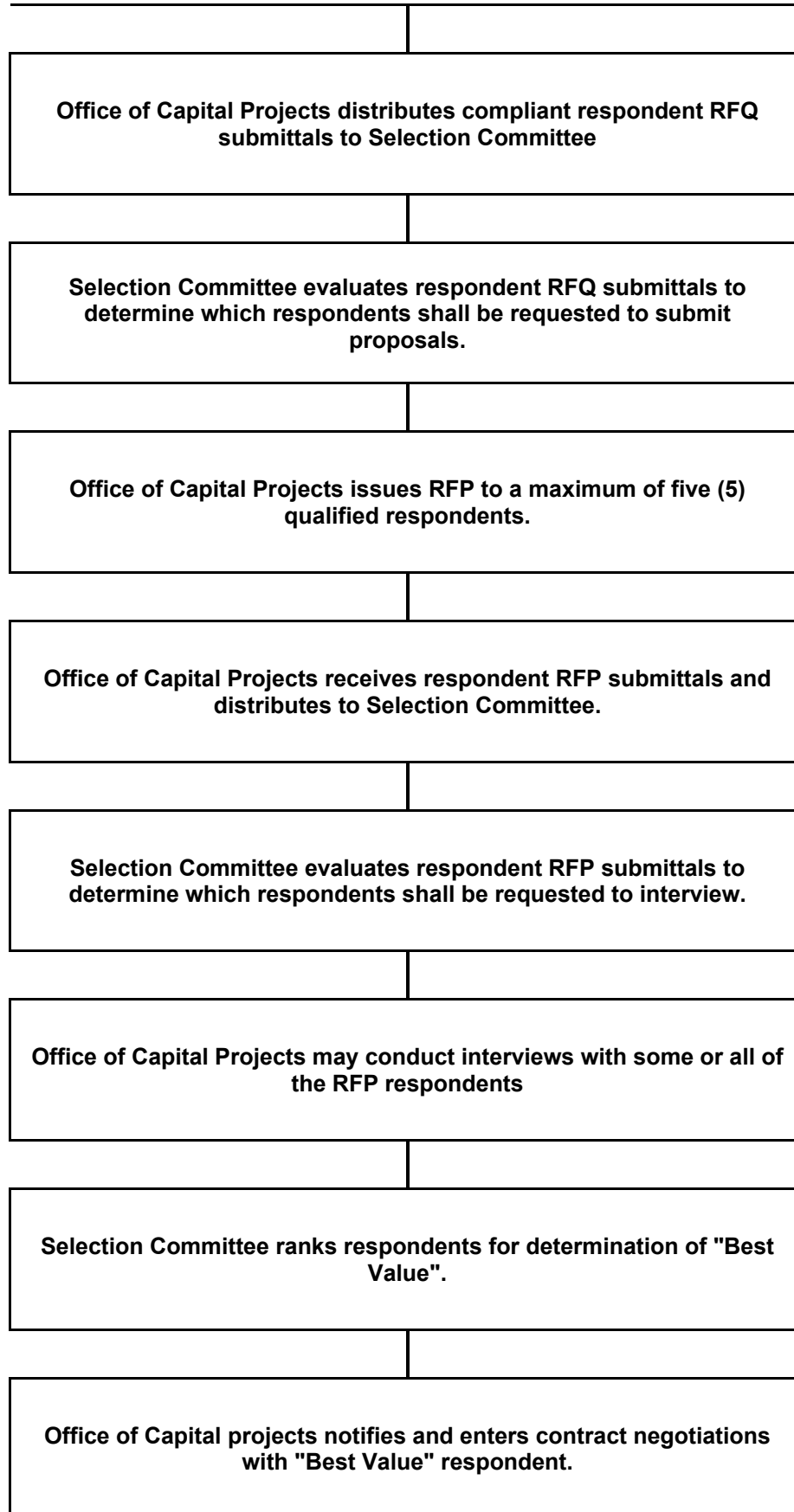


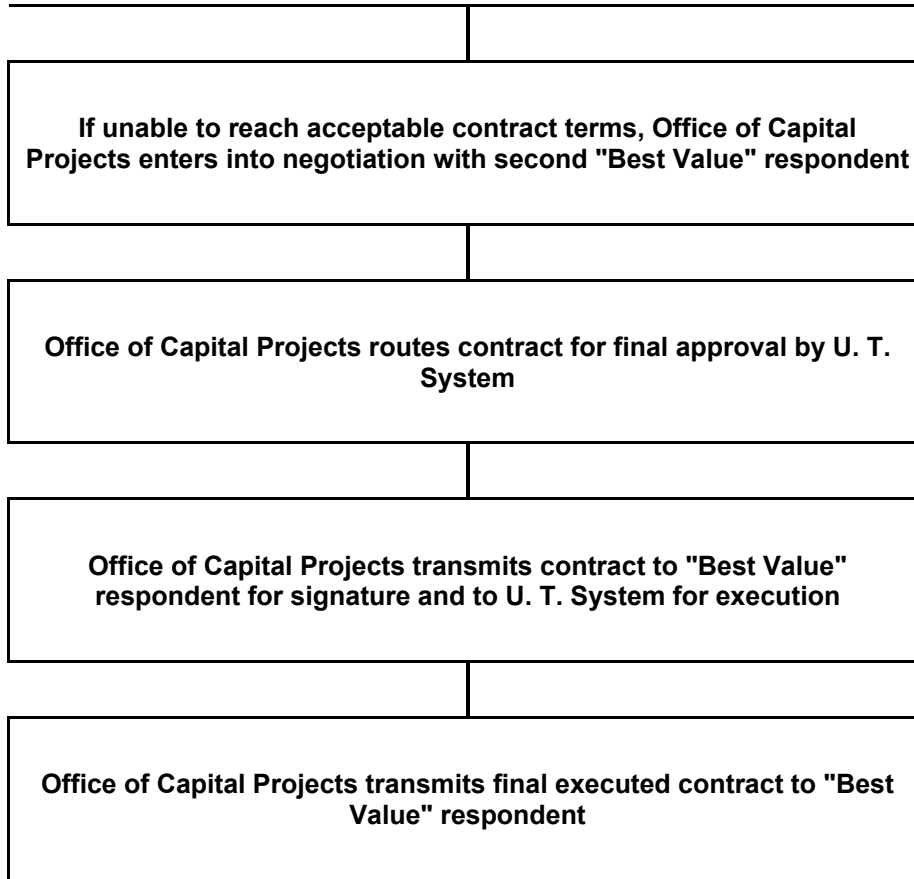


## APPENDIX 3: Design-Build (DB) Procurement Process



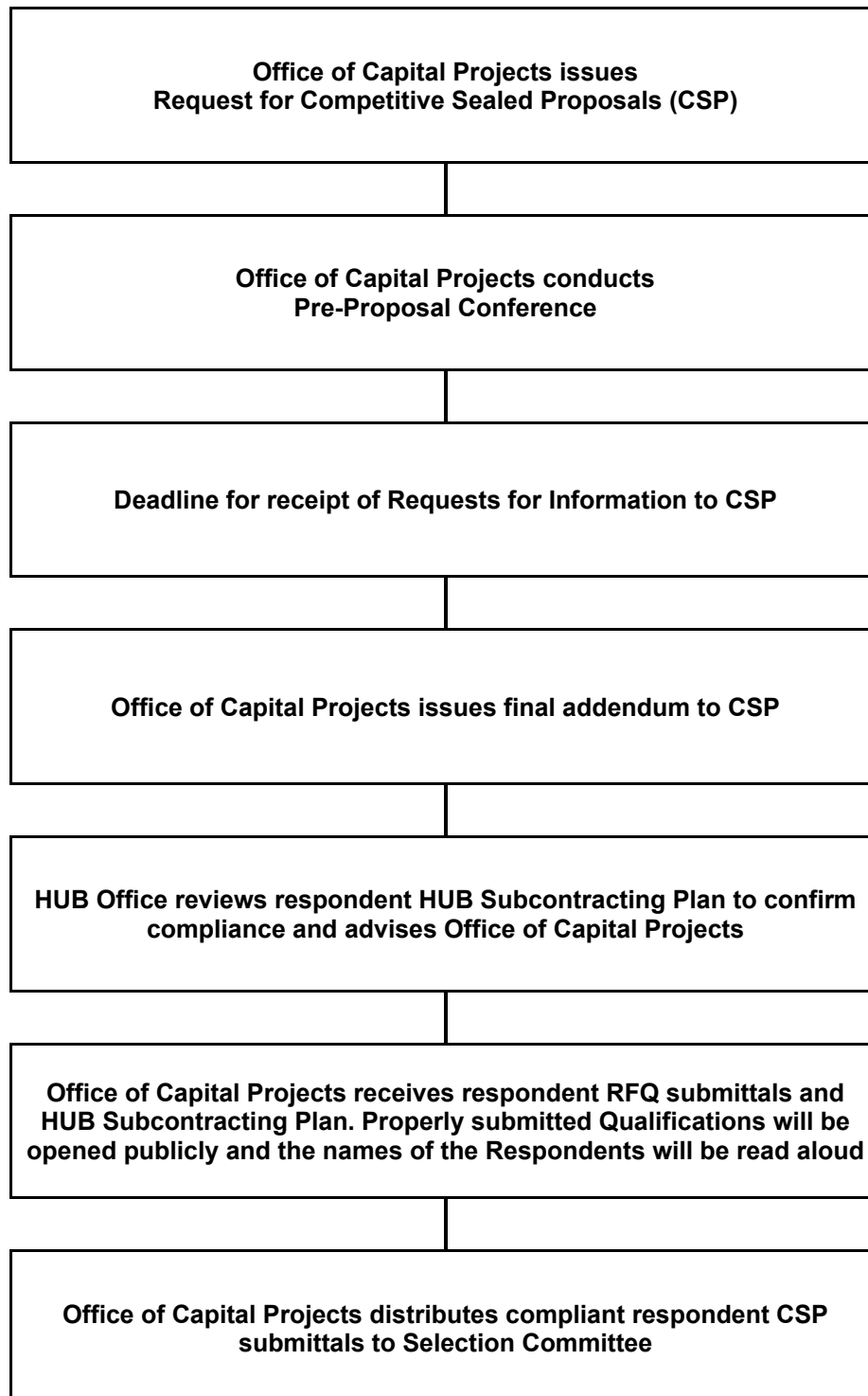


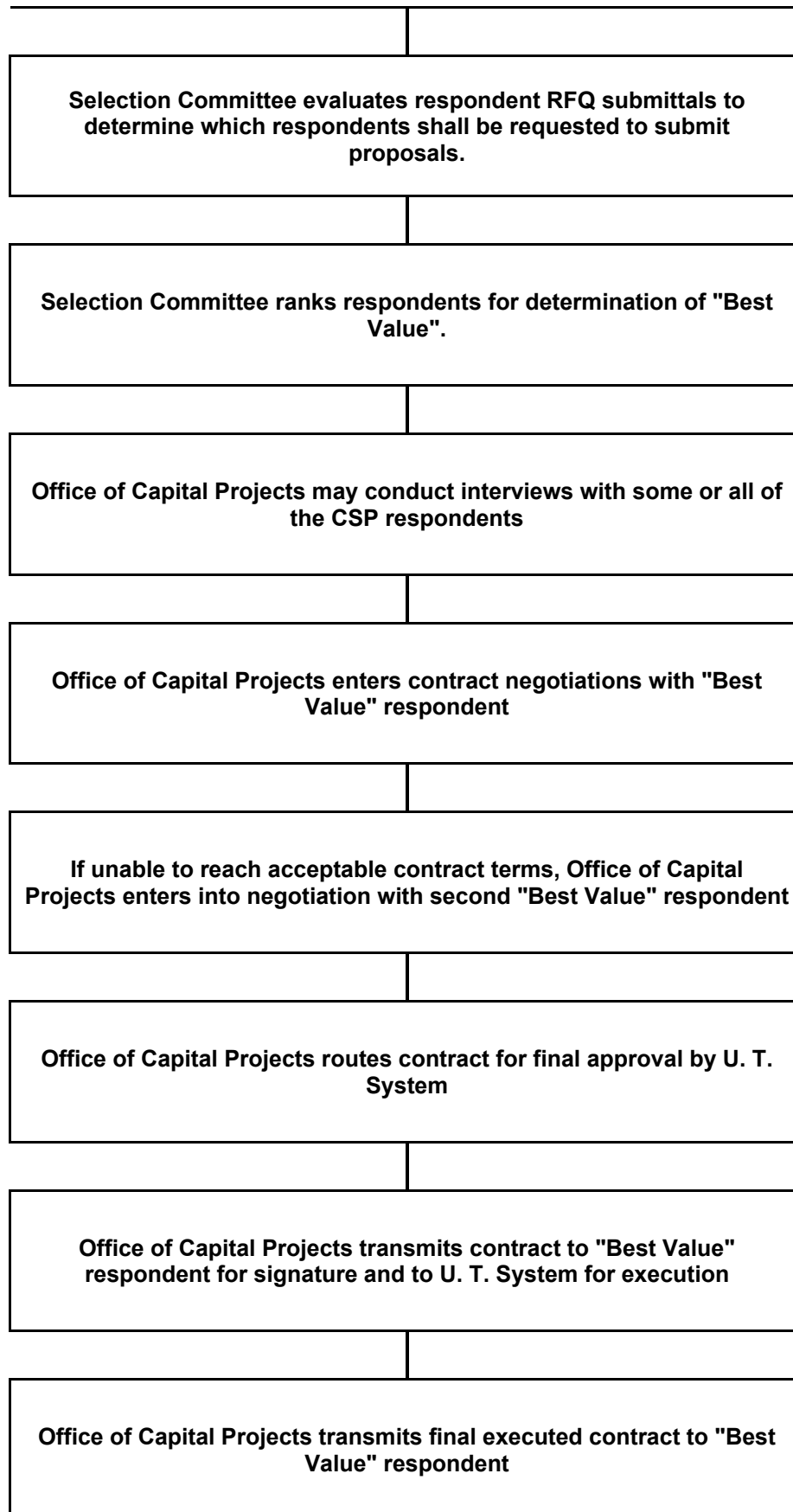






## APPENDIX 4: Competitive Sealed Proposal (CSP) Procurement Process







# APPENDIX 5: Sample Construction Manager at Risk (CMR) Request for Qualifications (RFQ) Evaluation Worksheet

## SAMPLE CMR RFQ EVALUATION WORKSHEET

Selection Criteria	Weight (1 - 10)	Score (1 - 10)	Points (Wt. x Score)
3.1 Respondent's Ability to Manage Construction Safety Risks _____ _____	10	8	80
3.2 Respondent's Statement of Qualifications and Availability to Undertake The Project _____ _____	4	7	28
3.3 Respondent's Ability To Provide Construction Management Services _____ _____	5	8	40
3.4 Qualifications of The Construction Manager at Risk Team _____ _____	8	8	64
3.5 Respondent's Past Performance on Representative CM-R Projects _____ _____	8	8	64
3.6 Respondent's Past Performance on U.T. System Projects _____ _____	4	9	36
3.7 Respondent's Ability to Establish Budgets and Control Costs on Past Projects _____ _____	6	8	48
3.8 Respondent's Ability To Meet Schedules on Past Projects _____ _____	6	8	48
3.9 Respondent's Knowledge of Current Construction Methodolgies, Technologies, and Best Practices _____ _____	5	7	35
3.10 Respondent's Ability to Identify and Resolve Problems on Past Projects _____ _____	4	7	28
Comments: _____ _____	<b>TOTAL SCORE</b>		<b>471</b>

Identify the rank of this Respondent with respect to the other respondents; Highest score = 1, second highest = 2, third highest = 3, etc...

1
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RANK



# APPENDIX 6: Sample Subcontractor Pricing Worksheet

## SAMPLE SUBCONTRACTOR PRICING WORKSHEET

Proposal Package No. 1 - Site Utilities	SUBCONTRACTOR 1	SUBCONTRACTOR 2	SUBCONTRACTOR 3
Base Scope	\$ 85,000.00	\$ 79,000.00	\$ 78,000.00
Alternate 1	\$ 20,000.00	\$ 17,000.00	\$ 19,000.00
Alternate 2	\$ 11,000.00	\$ 8,000.00	\$ 10,000.00
Scope Adjustments/Exclusions	\$ 3,000.00	\$ (4,000.00)	\$ 2,000.00
Other Costs			
All Required Lifting, Hoisting and Scaffolding	INCLUDED	INCLUDED	INCLUDED
Subcontractor Parking	\$ 1,000.00	INCLUDED	INCLUDED
Consolidated Cleaning Crew Participation	INCLUDED	INCLUDED	\$ 1,000.00
<b>Total Subcontract Price</b>	\$ 120,000.00	\$ 100,000.00	\$ 110,000.00
<b>Pricing Score</b> (10 for lowest price, interpolated for amounts over lowest price)	<b>8</b>	<b>10</b>	<b>9</b>
Subcontractor Acknowledgements			
Acknowledged Receipt of Addenda	YES	YES	YES
Acknowledged Review of Project Plans and Specifications	YES	YES	YES
Acknowledged Review of Subcontract	YES	YES	YES
Acknowledged Prevailing Wage Requirements	YES	YES	YES
Acknowledged ROCIP Administrative, Testing and Personnel Requirements	YES	YES	YES

Example only. Format will vary by prime contractor.



# APPENDIX 7: Sample Subcontractor Proposal and Qualifications Worksheet

## SAMPLE SUBCONTRACTOR PROPOSAL AND QUALIFICATIONS WORKSHEET

Selection Criteria	Weight Factor	SUBCONTRACTOR 1		SUBCONTRACTOR 2		SUBCONTRACTOR 3	
		Score (1 - 10)	Points (Weight x Score)	Score (1 - 10)	Points (Weight x Score)	Score (1 - 10)	Points (Weight x Score)
Respondent's Pricing Proposal (adjusted to reflect any scope issues or exclusions)	70*	8	560	10	700	9	630
[*Weighting of pricing proposal can vary based upon project requirements]							
<b>1</b> Respondent's Demonstrated Capacity, Financial Resources and Claims History	2	7	14	7	14	8	16
<b>2</b> Qualifications and Experience of Team Members Proposed for the Project	3	9	27	8	24	8	24
<b>3</b> Respondent's Experience with Similar Projects	4	7	28	8	32	6	24
<b>4</b> Respondent's Experience with the Owner, A/E Team and CM Team on Similar Projects	4	7	28	8	32	6	24
<b>5</b> Respondent's Safety Program & Safety Record	3	8	24	9	27	7	21
<b>6</b> Respondent's Ability to Meet Schedule Requirements	4	7	28	9	36	8	32
<b>7</b> Respondent's Ability to Provide Adequate Manpower	4	8	32	7	28	6	24
<b>8</b> Respondent's Material Procurement Plan	2	8	16	7	14	7	14
<b>9</b> Respondent's QA/QC Program & Coordination w/ Other Trades	1	7	7	8	8	8	8
<b>10</b> Respondent's Review of Master Subcontract & Project Subcontract	3	6	18	8	24	7	21
<b>Total Points</b>	100		<b>782</b>		<b>939</b>		<b>838</b>

Example only. Format will vary by prime contractor.



# APPENDIX 8: Sample Schedule of Values (SOV) Payment Application

The U. T. System Schedule of Values - Contractor's Estimate Continuation Sheet (CSP)												
OCF Project No:												
OCF Project Name:												
General Contractor Name:												
Date:												
OCF Contract Number:												
Project Address:												
Application For Payment Number:												
Application Period:												
A	B	C*	D	E	F	G	H	I	J	Current Application		
										This Period Amount & Percent	Total Amount Completed To Date & Percent	
Asset Class	Class Code	Detailed Breakdown of Contract Line Items	H'	I'	F/C	D+F	H/C	Total Amount Completed To Date & Percent		Retainage (%)		
1	2	Division 1 - General Conditions & Requirements	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
		Contractor Provided Owner Equipment / Furniture										
1	2	Temporary Field Office(s)	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1	2	Weekly Janitorial Services	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1	2	Furnishings	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1	2	Digital Copier	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1	2	Multifunctional Printer/Scanner/Fax	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1	2	Telephone System & Monthly Service	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1	2	DSL Internet Connection & Monthly Service	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 1 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 2 - Existing Conditions	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 2 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 3 - Concrete	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 3 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 4 - Masonry	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 4 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 5 - Metals	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 5 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 6 - Woods, Plastics & Composites	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 6 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 7 - Thermal & Moisture Protection	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 7 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 8 - Openings (Doors & Windows)	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 8 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 9 - Finishes	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 9 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 10 - Specialties	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 10 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 11 - Equipment	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 11 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 12 - Furnishings	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 12 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 13 - Special Construction	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	
1		Division 13 Subtotal	\$ -	0%	0%	\$ -	0%	0%	0%	0%	\$ -	





## **APPENDIX 9: Contractor Preparedness Checklist Fillable Form**

**A fillable version of the Contractor Preparedness Checklist is included on the next page to allow you to track your progress completing the tasks, and to make notes if desired.**



# START HERE

## **Contractor Preparedness Checklist**

**The following tasks will help contractors be successful seeking, winning, and executing UT System construction projects. Plan time to complete each task.**

### **TASK.....Section, Page #**

#### **Chapter 1: Seeking Construction Contracts with The U. T. System ..... Pg. 11**

- Obtain (or maintain) State of Texas HUB certification..... Sec. 1.1, Pg. 13
- Confirm business systems and processes are in place..... Sec. 1.2, Pg. 14
- Understand insurance requirements ..... Sec. 1.2.2, Pg. 14
- Understand administrative and paperwork requirements..... Sec. 1.3, Pg. 15
- Confirm staff expertise in all required areas ..... Sec. 1.3.1, Pg. 15
- Confirm labor availability ..... Sec. 1.4, Pg. 16
- Plan for project financial requirements ..... Sec. 1.5, Pg. 16
- Confirm bonding requirements and get pre-approved..... Sec. 1.5.3, Pg. 17
- Compile qualifications information and work portfolio ..... Sec. 1.6.1, Pg. 18
- Begin (or continue) networking within construction community..... Sec. 1.6.2, Pg. 19
- Establish and manage professional relationships ..... Sec. 1.6.3, Pg. 19
- Track projects and plan work pursuits ..... Sec. 1.6.4, Pg. 20
- Anticipate staff safety experience and certification requirements ..... Sec. 1.7, Pg. 21

#### **Chapter 2: Putting Together a Winning Bid/Proposal ..... Pg. 18**

- Understand capacity and strengths, and identify competitive focus..... Sec. 2.1, Pg. 24
- Confirm scope of work with prime contractor or project Owner..... Sec. 2.1, Pg. 24
- Continue Owner and prime contractor relationship management ..... Sec. 2.2, Pg. 25
- Attend pre-bid conferences for specific project pursuits..... Sec. 2.3, Pg. 25
- Determine how to access project information and documents ..... Sec. 2.4, Pg. 25
- Understand Owner’s procurement process for each project delivery type Sec. 2.5, Pg. 26
- Review proposal requirements and provide a comprehensive proposal.. Sec. 2.6, Pg. 27
- Prepare and provide resumes for each staff position ..... Sec. 2.6, Pg. 28
- Include costs to fulfill project safety requirements ..... Sec. 2.7, Pg. 29
- Include costs to fulfill project administrative requirements ..... Sec. 2.8, Pg. 31
- Follow up regarding bid or proposal outcome ..... Sec. 2.9, Pg. 31

***If unsuccessful, request debrief***

***If successful, continue to Chapter 3 (next page)***

**TASK.....Section, Page #**

**Chapter 3: Successfully Executing the Work..... Pg. 25**

- Focus on field level relationship management ..... *Sec. 3.1, Pg. 34*
- Focus on field level communication ..... *Sec. 3.2, Pg. 34*
- Access latest project information and documents ..... *Sec. 3.3, Pg. 35*
- Confirm staffing requirements met ..... *Sec. 3.4, Pg. 35*
- Initiate and sustain project administrative responsibilities ..... *Sec. 3.5, Pg. 35*
- Complete project safety requirements and support safety activities ..... *Sec. 3.6, Pg. 38*
- Monitor and support project construction schedule ..... *Sec. 3.7, Pg. 40*
- Understand project payment process and plan for payment timelines ..... *Sec. 3.8, Pg. 40*
- Understand quality expectations and construction inspection process .... *Sec. 3.9, Pg. 42*
- Support construction change pricing and implementation ..... *Sec. 3.10, Pg. 43*
- Participate in project closeout activities ..... *Sec. 3.11, Pg. 44*

NOTES:

