

**SUPPLEMENTAL  
CONSTRUCTION & PLANNING OFFICE  
PRAIRIE VIEW A&M UNIVERSITY**



**ARTICLE XVIII - CONTRACT ADMINISTRATION**

- 18.1.1 The value of a contract has no bearing on the amount of required insurance coverage except for Builder's Risk.**
- 18.1.4 An umbrella policy can be used to supplement the amount of coverage of a required insurance policy by cannot replace the basic policy.**
- 18.1.5 Insurance policies issued by line companies are not acceptable for state construction work. Caution is urged toward an insurance carrier or surety company with Puerto Rico or Caymen Island address.**
- 18.2 Sales Tax - The Contractor is furnished a state sales tax Exemption Certificate Form C-17 (Appendix Form C-17), for presentation to suppliers and subcontractors to prevent the payment of sales tax on materials that will be incorporated into the construction work. Refer to Paragraph 17.9.1 for the separation of materials and other costs. The sale tax law requires the cost separation so PVAMU can legitimately issue a Sales Tax Exemption Certificate to the Contractor. Without the separation of materials and other costs, the Contractor, not PVAMU, is deemed to be the final purchaser of the materials and therefore must pay all sales tax.**
- 18.3.7 Some revisions require design by the A/E, while some merely require submittal and documentation of the COR/revision before accomplishment while other document the adjustment of contract time.**
- 18.3.8 In most cases, the A/E should complete any design required for a revision without additional charge if the scope of work is consistent with the contract scope and if the revision will be funded from existing project contingencies.**
- 18.3.9 The lump sum contract fee for the A/E includes compensation for completion of the total project. The use of construction contingency funds for ordinary construction deficiencies and design omissions does not normally warrant additional compensation to the A/E. When a revision requires a "formal" design, compensation to the A/E should be considered.**

**18.3.10 The A/E may require additional compensation if significant design effort is required for a proposed construction revision. An agreed lump sum or a not-to-exceed price for the extra design serves should be determined prior to authorizing the design. A good rule of thumb on whether the A/E is due additional compensation is whether the Change Order requires the appropriation of supplemental funds, additional drafting and/or design research by the A/E or consultants.**

18.3.11 The Construction & Planning Manager has been delegated the authority to approve Change Orders to the extent of available project funds. This includes balances created by supplemental appropriations.

18.3.11.1 The Auxiliary & Administration Vice President has re-delegated approval authority for construction revisions exceeding \$3,000.00 but less than \$10,000.00 to the Construction & Planning Manager.

18.3.11.2 The authority for construction revisions not exceeding \$3,000.00 has been re-delegated to the Project Construction Manager/Inspector.

18.4 COA's should never be authorized unless there is a sufficient unencumbered balance in project funds to compensate all parties for their effort; including the Contractor, A/E and fees for administration, testing and inspection. If additional funding is required, a supplemental Form C-1 should be processed and approved prior to authorizing the work.

18.5.4 A contractor is legally entitled to prompt payment for work completed. In accordance with State law Section 22251.021 Texas Government Code (Exhibit 24) a payment is overdue on the 31<sup>st</sup> day after the latest of:

- (a) the date the owner receives the goods or,
- (b) the date of performance of the service or,
- (c) the date of receipt of an invoice for the goods or services.

**The owner may not withhold progress payments as retribution, penalty or other cause of enforcement, except that payment may be withheld if it is subsequently discovered that the work completed does not meet the specifications.**

18.7 Article III of the Uniform General Conditions requires that Contractor make payroll records available to the owner for verification of the wage rates being paid by the general contractor and all subcontractors. PVAMU has expanded this on certain projects to include a copy of all payroll records on a monthly basis.

- 18.9.6 The PVAMU Purchasing Department will prepare a purchase order for the complete energy management system installation based on the master agreement.
- 18.9.7 The Physical Plant, Central Utilities supervisor monitors the system installation and recommends progress payments for the vendor with the approval of the Director of Physical Plant.
- 18.10 The resolution of disputes is a part of the construction contract administrative process. Article XII - Disputes of the Uniform General Conditions, outlines a stepped procedure for appealing decision(s) made by various project administrators. It is imperative that this tiered appeal's process is maintained and followed. The Contract Office of the F&A Office should be notified prior to any dispute appeal being forwarded to the CEO. The CEO staff will then be better prepared to make informed decisions if alternative dispute resolution (ADR) methods are normally considered only on larger projects. However, when a dispute arises, all methods should be considered prior to an appeal to the University President (CEO). Should a resolution not be found, vendor should proceed utilizing Article XXIII 18.10 of the TAMU Policy and Procedures.
- 18.12.3 The following schedule is a guideline of proposed liquidated damage amounts currently used on MinCP's:

Contract Amounts From	Contract Amounts To	Per Calendar Day
\$ 0.00	\$299,999.00	\$150.00
\$300,000.00	\$999,999.00	\$500.00
\$1,000,000.00	\$2,000,000.00	\$750.00