

Capital Project Management



State of Alaska
Department of Community and Economic Development

April 2001

This handbook is dedicated
to the memory of
Peter James Apollo, 1948-2000

Capital Project Management

This Capital Project Management handbook was requested by the Governor's Council on Rural Sanitation in the Rural Sanitation 2005 Action Plan (February 1998) as part of the strategy to make safe water and hygienic sewerage service a reality for all Alaskans.



Tony Knowles, Governor
State of Alaska

Deborah B. Sedwick, Commissioner
Department of Community and Economic Development

For copies of this publication contact:

Alaska Department of Community and Economic Development
Division of Community and Business Development

A copy of this guide can be downloaded from the
department's website at: <http://www.dced.state.ak.us/mra/Mradtrng.htm>

Published by

Alaska Department of Community and Economic Development
Rural Utility Business Advisor Program

with funding from

U.S. Environmental Protection Agency

Project Manager

Peter McKay

Editorial Review by

Alaska Department of Environmental Conservation
Alaska Department of Community and Economic Development
Gina Shirey, Local Government Specialist
Scott Ruby, Local Governmental Specialist
Athena Logan, Local Government Specialist
Mike Black, RUBA Director
Peter McKay, Planner

Layout and Design by DCED

Diane Somers, Publications Specialist
Leanne Pilcher, Graphic Artist

April 2001



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FOREWORD

Over the years, our agency has been blessed with some of the most resourceful Alaskans in state government. One of these hardworking people was Pete Apollo (1948-2000), who worked with us for the last three years of his life. He knew an enormous amount about rural Alaskan communities, and he recognized the gifts these communities offer to those of us fortunate enough to work with them. He loved simple and practical things and simple and unassuming people. He gave to us and to his work without asking anything in return.

One of the last projects Pete worked on before he died was the revision of this book. We are happy to be able to publish this completely revised edition in Pete's memory, and we are proud to begin the book with his foreword, one of the last things he wrote.

I asked a group of elected officials who had assembled for a training session, "What is planning?" Nobody answered at first, so I repeated the question, "What is planning? Surely somebody in here knows what planning is." Nobody raised his or her hand, so I asked, "Do any of you plan anything?" Then everyone had an opinion.

Some planned hunting and fishing trips, others planned events such as potlatches, funerals, or parties, but everyone had planned something. They had planned many things, but not one of them had been involved in developing a municipal or village plan. Or if they were involved, nobody admitted it. So I asked: "Why would it be necessary to develop a municipal or village plan?" Some replied, "To get grants;" others said, "So we know which projects we need;" still others said, "So we can have economic development and jobs." These were all good answers; however, they didn't answer the question of why planning is necessary.

They were listing the objectives of planning: to create jobs, to secure funding, to provide services. But, why list the objectives? How do you create objectives? What are the benefits of listing objectives? Who should create the list? What areas should be considered in creating a list of objectives? These questions and many more are answered in this book, which provides a logical step-by-step approach to planning a capital project.

The focus of this book is the answer to the questions: "What is planning, and why is it important?" Planning is structuring the management of the five resources available to managers to minimize risk and maximize benefits to the community. These resources are time, money, information, people, and equipment/facilities. Planning is important because it increases the possibility of success. This book is a guide for how to increase the possibility of successful delivery of services to your community by managing resources and minimizing risk.

In a way, capital project planning is a lot like planning a hunting trip. No hunting trip is a sure thing, but careful planning and respect for the game you are hunting are critical elements of a successful trip. If you hunt with companions who do not need the game for their families or themselves, they might not work hard enough to ensure the success of the hunt. If your equipment is in need of repair, the boat motor might not work, or the gun might be inoperative, or the Snow Go or 4-wheeler might break down. If you are not careful or if you have been drinking, you might fall through the ice or get lost in a storm. However, if you choose your hunting companions wisely, and you prepare a plan to manage your equipment, information, and time, your chance of success is greatly improved. Most important of all is to have respect for the game you are hunting. The moose or caribou will give its life to feed your family.

We should be thankful and share. We must be respectful, not only of the animal, but of the elders and others in the community who will share in the success of the hunt. So when we plan for community projects, let us be motivated by respect for all in the community, so everyone may share in the benefits of a successful project.

— Pete Apollo



INTRODUCTION

This handbook is for Alaskans who are getting ready to build capital projects in rural Alaska. A capital project is one that adds to the long-term value of a community, such as a community center, a health clinic, a water or sewage treatment plant, or a boardwalk system.

Whatever type of capital project you are planning to build, it has the potential to improve the quality of life for everyone in your community. However, it will do this only if you design and build it so that your community can really use and maintain it. The goal of this handbook is to help you build your capital project in such a way that you can maintain it to serve the needs of your community for many years.

We have organized this handbook into chapters that correspond to the major parts of building a capital project:

- Chapter 1** will help you decide whether or not this handbook is for you.
- Chapter 2** covers the steps you need to take to manage the project.
- Chapter 3** covers acquiring your site.
- Chapter 4** covers getting the permits you need.
- Chapter 5** covers choosing a contracting method.
- Chapter 6** covers making contracts with consultants and builders.
- Chapter 7** covers what you need to do to build your project.

The first two chapters are general in nature. Read them first to get an overview of how you should approach your project. The last five chapters cover specific tasks you need to do. Some of these tasks overlap each other, so don't worry if you find yourself working in several chapters at once. For example, you may be applying for permits (Chapter 4) while you are deciding on a contracting method (Chapter 5) and working on acquiring your site (Chapter 3).

We encourage you to read this handbook straight through once, and then refer to each chapter as you are doing that task. The chapters are tabbed to help you find each one as you need it.

There is a special appendix with detailed information about force accounting, which you should read if you decide to be your own general contractor. Also, included in the appendices are forms you may want to use, information about various agencies you may need to contact, references to statutes you may need to read, and other materials of interest to people building capital projects.

CHAPTER ONE

IS THIS HANDBOOK FOR YOU?

Are you ready to build when you receive your funding notice?

Are you ready for this handbook?

Are you ready to build when you receive your funding notice?

You go to the office one day, open up the morning mail, and there it is: a letter telling you that you will receive the full amount of money you requested to build your public facility. Are you ready to start building? Probably not. There are still hundreds of decisions to make and thousands of details to work out. This handbook can help you with many of these. It can also help you avoid some of the problems that can really slow your project, or even keep it from being completed, if you neglect them.

Are you ready for this handbook?

This handbook is for people who have gone beyond just thinking about a project. It is for the administrators, managers, mayors, and tribal chiefs who are ready to begin building. In order to be able to use this book well, you need to have already completed certain tasks, including the following:

- Develop a community plan.
- Arrange for funding for your project.



- Get your community involved in your project.
- Select a site for your project.
- Develop goals and objectives for your project.
- Draft a preliminary budget and design for your project.
- Arrange for the funding to operate and maintain your completed facility.

Develop a community plan.

We have all heard stories of bulk fuel plants built near wells, and airports built where sewage lagoons should have gone. This happens when people in a community don't first sit down and figure out an overall plan of everything the community needs. To keep your project from becoming a mistake, you need to make sure that your community has an overall plan that includes all the different projects it wants to build and that your project is one of them.

In this handbook, we assume that you have already been through a community planning process. If you have not, it may be too late to start one that will benefit this project.

However, you can ask local businesses, organizations,

governments, and community members if this project is going to cause any conflict with projects they are planning to build.

Arrange for funding for your project.

Capital projects are funded in many ways. You may have multiple grants, a single grant with some matching funds required, or just a single grant. This handbook assumes that you have all your funding in place and ready. This means that, if you need supplemental grants in addition to your primary grant, you have them. It also means that you have actually received funding commitments or letters notifying you of your grant awards and telling you what you must do to get the funds.

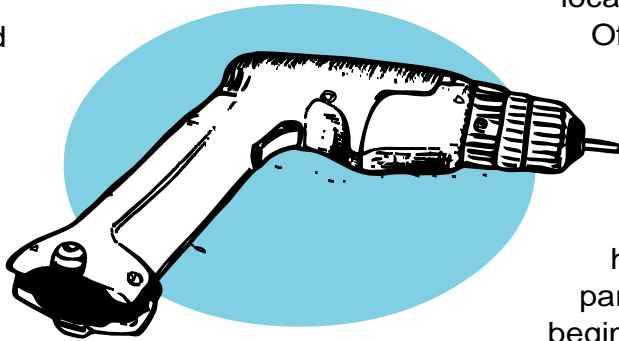
Get your community involved in your project.

Community involvement is the key to building and operating a successful facility. The earlier you start to involve the community in your project, the better your chances of having a successful project. In particular, public comment is critical in the community planning process. This helps make sure that the capital projects you build are what people really want, and that you build them where people want them located.

If you are not sure you have good community support for your project, you need to back up and work on getting it. Once you have started to build your project, there will be little time to get people involved in the decision-making. And there are always many decisions that

should be made with input from the people who will use the completed facility. Unless you get people involved well before construction begins, you run the risk that they will complain about the design, location, and/or materials.

Often, these complaints are related to feelings of being left out of the decision-making process. To avoid this problem, be sure you have lots of community participation from the very beginning.



Select a site for your project.

As part of your original grant application, you probably selected a site on which to build your facility. If your project is in the comprehensive plan, a primary site and alternative sites may be listed in the plan. In this handbook, we explain the process of getting control of your project's site, but we assume that you already have a site identified. If you have not yet chosen a site for your project, you need to do so before you begin to build your project.

Develop goals and objectives for your project.

You should have goals and objectives for your project before you begin to build. These help your project management team design and build a facility that will meet real needs in your community. When you build a facility that meets real community needs, it's easier to get community support for the cost of operating and maintaining the facility. This handbook assumes that you have already developed goals and objectives to guide your project. If you haven't, you need to back up and work

on developing them before you begin to build your project.

Your goals and objectives should be detailed and specific, so the project management team can use them as guidelines when making decisions at all stages of the project.

Here is an example of a goal and objectives that ARE NOT detailed and specific enough:

Goal

Build a firehall.

Objectives

1. Have a heated building for storing fire trucks and other equipment.
2. Locate the building centrally to reduce response time.

This goal and these objectives do not give enough guidance for making decisions about the design of the project. They will not help the management team answer the many questions that always come up as a project is built.

Here is an example of a goal and objectives that **ARE** detailed and specific enough:

Goal

Build a building with heated area to store existing pumper truck/fire engine & fire fighting equipment.

Objectives

1. Building should have enough room for storage of all equipment currently owned or anticipated for purchase in the next five years.
2. Facility should be centrally located to reduce response time.
3. Building design should not include other uses for the facility.
4. Building layout and design should minimize operation costs.
5. Construction materials used should be low-maintenance.
6. Facility should be placed on the site to minimize snow drifting in front of the bay doors.

Draft a preliminary budget and design for your project.

You probably developed a preliminary budget and project description as part of your original grant application. As you work through this handbook, you will use these again, as the basis for your final project budget and design. If you did not need to submit a preliminary budget or project description with your grant application, you need to back up and create them before using this handbook.

Arrange for the funding to operate and maintain your completed facility.

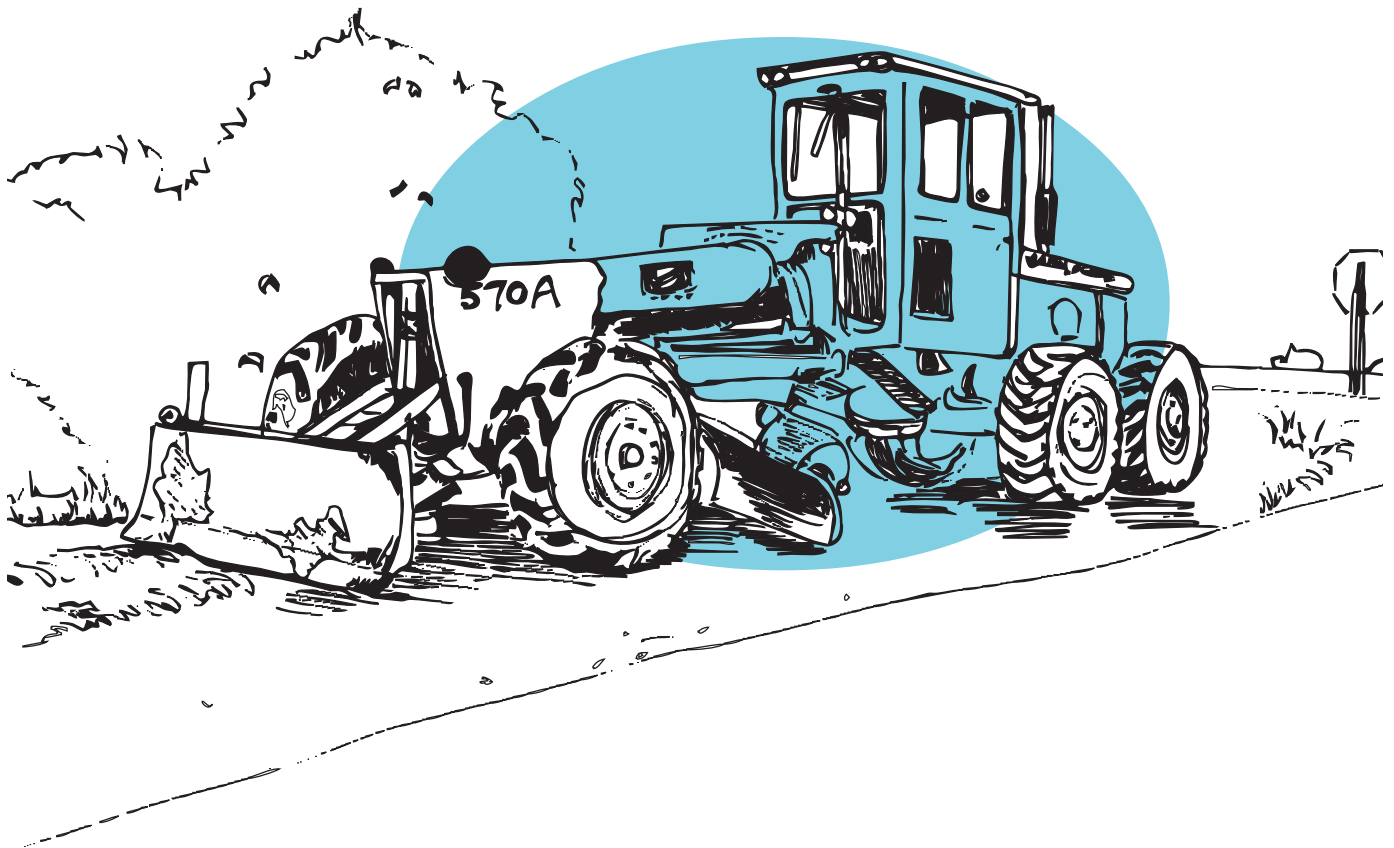
As part of the original grant application for this project, you probably developed a preliminary budget for operating and maintaining your completed facility (O&M). This handbook assumes that you have done this. If you haven't, you need to back up and consider carefully how much money you will need for O&M and where you will get it.

If you plan to get your O&M funds from user fees, make sure that the people who will use the facility are willing to pay the proposed

Chapter One: Is This Handbook for You?

fees. If you plan to get O&M funds from other revenue sources, such as your municipal general fund, gaming income, or additional grants, make sure the funding source will be available for as long as you plan to use the facility.

If your project's O&M costs are greater than the amount you can raise, you need to rethink your project. Your community may be better off without your project than with a facility that it can't operate and maintain.



CHAPTER 2

OVERVIEW OF PROJECT MANAGEMENT

Introduction

Final Project Design

Contracting Methods

Project Schedule

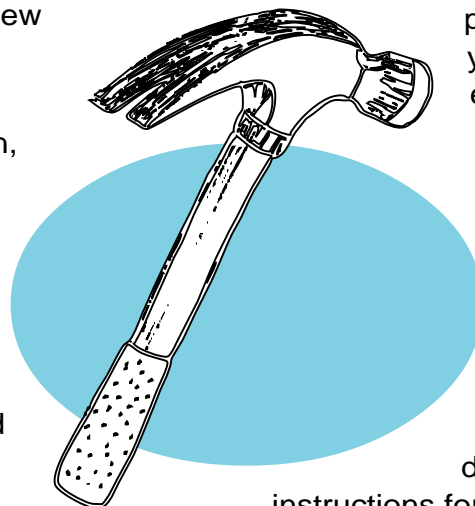
Financial Plan

Project Construction

Introduction

In Chapter 1, we discussed the need to develop a community plan, arrange for funding, get your community involved, select a site, develop goals and objectives, draft a preliminary budget and design, and arrange for funding to operate and maintain your completed facility. Once you have done all this, you are ready to build your project. But before you can start the actual construction, you have to do a few other things, including the following:

- Finalize your project design, including deciding on construction methods and materials.
- Acquire legal control of the site you've chosen for your project.
- Get all the permits required for your particular type of facility.
- Select a contracting method.



- Make contracts with the designers and builders who will do the actual design and construction work on your project.
- Finalize your project's schedule and budget.

Final Project Design

When you first applied for funding for your capital project, you developed a preliminary design. This helped you describe the project and estimate the cost of it for your grant applications. Now that you have your funding and are preparing to build, you need a more detailed design and a set of construction drawings. You will use these drawings when you choose your builders and when you order your materials. The drawings will also be the instructions for building the project. It's important that you take the time now to be sure your project design is as detailed and definite as possible. The more complete it is,

the better chance you have of getting what you want built on time and within budget.

You will most likely have to hire a professional engineer to create the final design and working drawings. If you hire a professional engineer from outside your area, have an experienced local builder work closely with him or her, to ensure that the project design will work in your community (see Chapter 6 for information about professional service contracts). Another option is to purchase a pre-designed building. If you do, make sure the design has been approved by an engineer certified to work in the State of Alaska and also approved by the Alaska State Fire Marshal.

For some projects, your funding source may provide professionals to help you design the project. The Alaska Department of Environmental Conservation (ADEC), through its Village Safe Water (VSW) Program, provides engineering services as part of their funding of water,

sewer, and solid waste disposal projects. The Alaska Native Tribal Health Consortium (ANTHC) provides design and funding assistance for health facility projects.

The Alaska Energy Authority provides design and funding assistance for bulk fuel and electrical generation projects. Contact information for these agencies is in Appendix 5.



Community Involvement

If you have done a good job of planning your project, you have a clear idea of what you want to build. You probably will not be able to include in your final design everything you would like your building to have. For example, you may have to choose between limiting the number of windows to save on heating costs and having a lot of windows for natural light.

The best way to make these choices is in a group or committee, so that no one person has to guess what's most important to the community. If possible, put together a design team of local people who have experience or interest in building design or construction and ask them to work with you and your professional engineer on the final project design. Be sure that your team bases its choices on your project goals and objectives. Also, be sure to choose an engineer who takes your concerns seriously and who is willing to make the extra effort to work closely with your design team.

Site Design

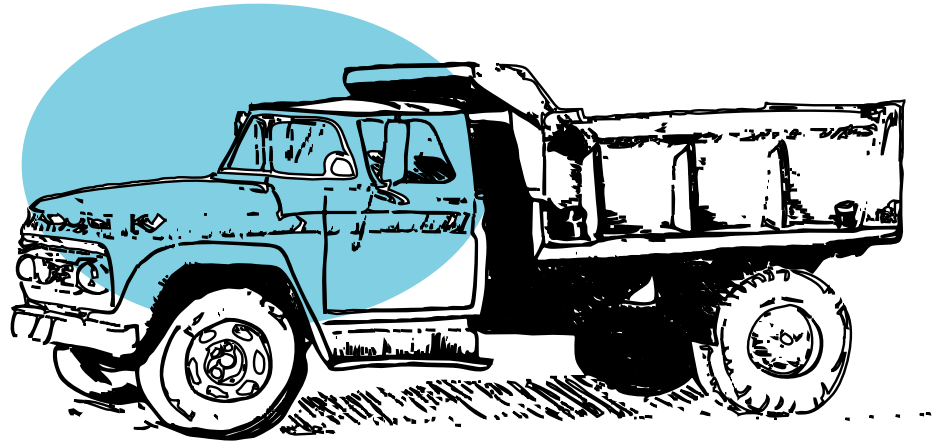
There are two parts to designing a capital project: designing the site and designing the actual facility. You have to design the site first, so that you know exactly where the facility will be located before you design it.

When you design a site, you decide what roads, utilities, and landscaping you want to have on your project's land. You also decide exactly where to place the buildings and other structures. When you do this, make sure that there is enough drainage for the wettest possible conditions, and that the landscaping fits with the facility and the surrounding area. Also make sure that the roads and utilities

you put in will serve the goals and objectives of the project. Make sure that your facility will be able to take advantage of the natural features of the land, and will have the least possible exposure to snow loads, rainfall, and wind. Also make sure that the facility is accessible to everyone in your community who will want to use it, including elders, children, and handicapped people.

There are many federal, state, and local regulations regarding land use, road and utility connections, accessibility, and protecting the environment. You will save time and aggravation if you learn what these regulations are and take them into account when you design your site. For example, state and federal regulations do not allow you to place a septic tank too close to a well or to build anything near fish streams. Most types of construction require one or more permits, but the choices you make in your site design may affect how many permits you will need. For example, you may need a wetlands permit to build at one end of a site but not the other. As you design your site, start finding out what permits you will need and what you need to do to get them. Your engineer can help you with this, and if possible, get some community members to help, too (see Chapter 4 for a list of permits required for building projects in Alaska).

When designing your site, you must also think about protecting the environment. Consider all the ways your project could negatively affect the land, water, air, wildlife, or public health of your



community. Possible problems include flooding, soil erosion, habitat destruction, air or water pollution, and oil spills. In addition, some types of projects may have specific important environmental considerations, such as toxic wastes. If there is anything environmentally sensitive about your project or site, hire an environmental consultant to help you make sure that you don't create any lasting problems for your community.

Facility Design

Designing a facility is a complicated process. You must think about many factors, including: what you want the facility to do for your community, who will use it, how you will operate and maintain it, and what different uses it may have in the future. Always work with a professional when you design your project. Make sure that your design team is involved also, to ensure that the facility you end up with serves the real needs of your community.

For many facilities, pre-fabricated or modular buildings are a good way to save money on design costs. If you choose a pre-fabricated building (or parts of a building), you usually get to make some choices within a basic building design set by the manufacturer. Be sure to

choose features that make your building suitable for Alaska's climate, even if you have to pay extra for them. Also, work with a professional engineer even if you are purchasing a pre-fabricated building. These types of buildings still need to have foundations and sites designed, and their plans must be approved by the State Fire Marshal.

Most public facilities have a useful life of twenty-five years or more. While your capital grant money will pay for construction, your community will probably have to raise the money each year for operating and maintaining the facility.

During the life of a public facility, the costs for operation and maintenance (O&M) often add up to more than the original construction cost. The best way to keep O&M costs down is to design the facility for efficient operation. Don't cut corners in the construction or accept inappropriate designs and materials that will cost the community later in O&M expenses.

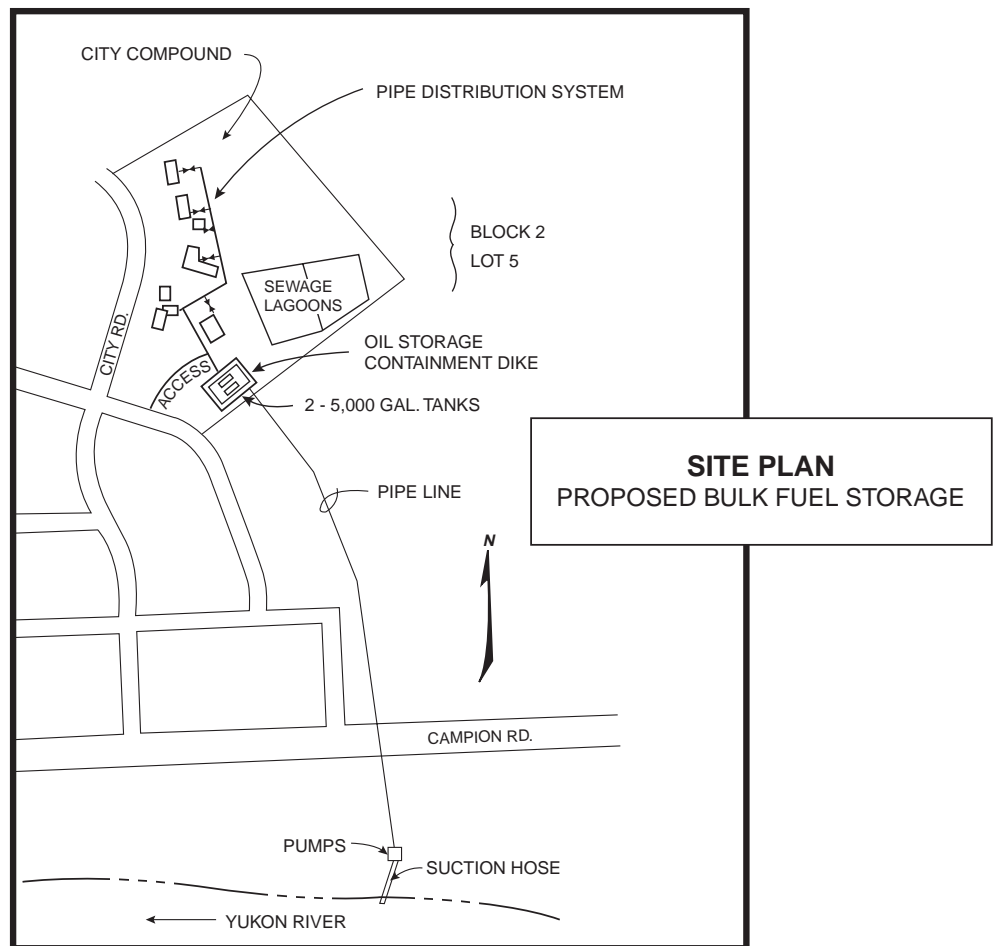
You will need to pay special attention to accessibility when you design your facility. As a result of the federal Americans with Disabilities Act (ADA), there are many regulations that require

you to design public facilities so that people with a physical handicap can easily use them. Most engineers are familiar with these regulations, but if you want to make sure that you are complying with ADA regulations in your design, the Alaska Department of Labor and Workforce Development has an ADA Coordinator who can help you. Contact information for this agency is in Appendix 5.

Final Drawings

When you have completed your site and facility designs, you will have a set of detailed

Example of a simple site plan for a proposed bulk fuel storage facility



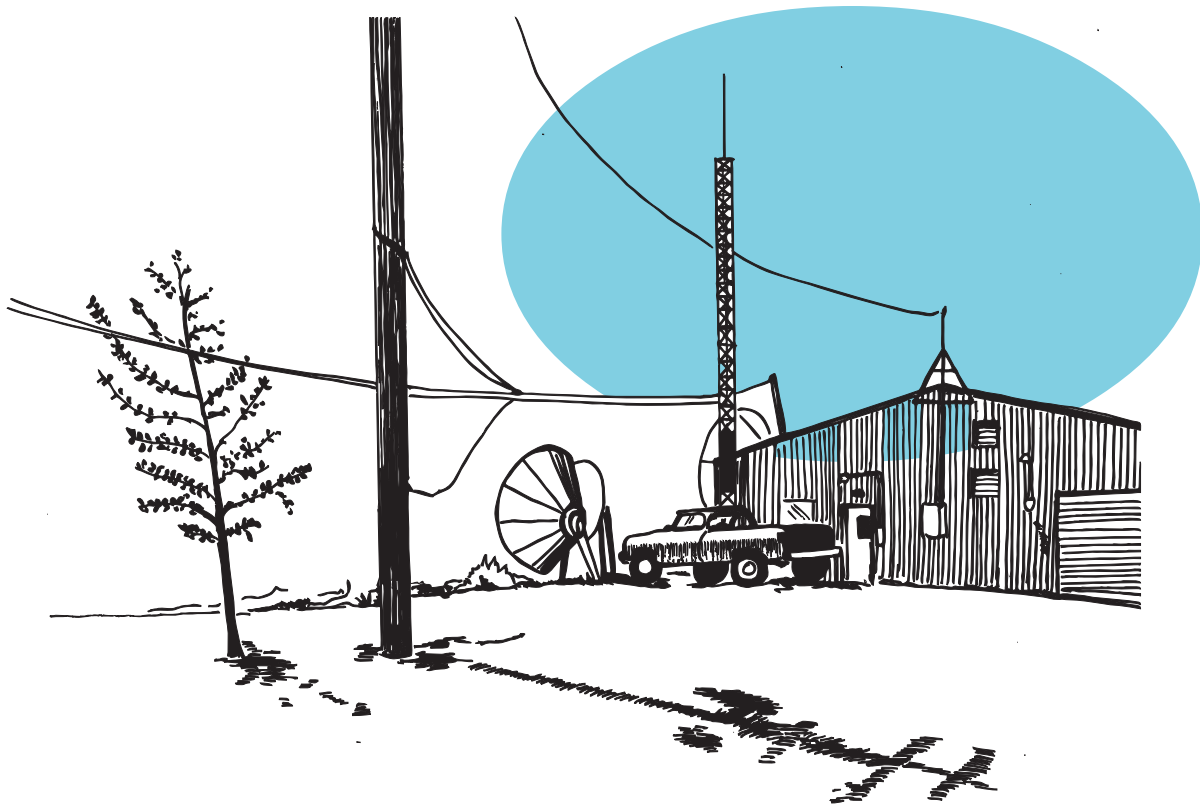
design drawings. These drawings need to have enough information on them so that you can use them when you negotiate construction contracts, and enough information so that your construction contractor can build the facility from them. The drawings should include:

- A site plan.
- Perspective drawings of the completed project.
- Building plans, elevations, and sections.
- Detailed construction drawings.
- Materials specifications with cost estimates.

A site plan is one or more drawings that show the existing features of your site and the surrounding area, and the changes you

want to make to the site. The site plan should be drawn accurately and to scale. It should include enough detail that you can use it when you make contracts for site preparation and construction. In general, your site plan should include:

- Property boundaries and lot lines.
- Major features of the landscape, such as topography, wetlands, and rock outcrops.
- Existing and proposed street and utility networks and planned connection points.
- Location of all planned structures, parking lots, boardwalks, sidewalks, and landscaping.
- Areas designated for open space.
- A grading plan, if you need to move a lot of material in order to prepare your site for building.



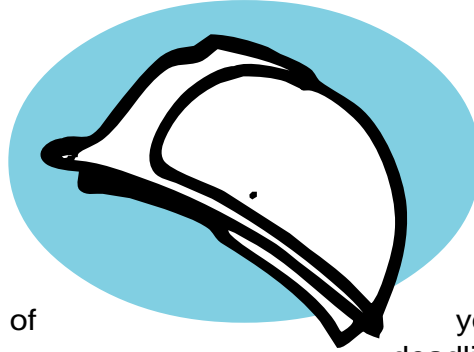
Definitions of Terms Often Used by Architects, Engineers, and Builders

| | |
|--|---|
| Working Drawings Working Plans Blueprints Blue Lines | All the drawings necessary for a contractor to construct a project. A set of working drawings (also called working plans) consists of floor plans, elevations, cross sections, details, and notes that assist in the interpretation of the drawings. There are usually separate drawings for structural framing, mechanical systems, electrical work, plumbing, and so on. These drawings are sometimes referred to as blue prints or blue lines. |
| Standard Plans | Drawings for project features that can be used on a number of similar projects. For example, an architect may have standard plans for an arctic entry that could be used on many types of buildings. |
| Specifications | Used in conjunction with working drawings. These cover all the features not shown on the drawings, such as quantity and quality of materials and methods to be used in construction. |
| Standard Specifications | Specifications of common materials or procedures that are approved for general application, such as lumber, nails, or doors. |
| Detail Specification | The complete requirements for a single project item. Each project will usually have many of these. |
| Estimates | A systematic table of construction costs. There are three levels of estimates associated with construction cost estimating: conceptual, preliminary, and definitive. |
| Conceptual Estimate | An estimate of costs based on a limited design concept or on prices that are only roughly evaluated. These estimates are used in the early stages of a community's thinking about a project. |
| Preliminary Estimate | An estimate of costs based on nearly complete specifications for major equipment and supplies, and on the preliminary design of the project. A preliminary estimate provides guidance to the community and prospective bidders in preparing preliminary contract budgets and work plans. |
| Definitive Estimate | An estimate of costs based on firm project specifications, design drawings, and construction schedules. An accurate definitive estimate helps with project budgets, cost control, and monitoring changes in the scope of work. |

Perspective drawings of the completed project help you imagine what your project will look like. Many people who are not design professionals have a hard time imagining what something will look like before it is built. Perspective drawings show how your facility will look on the site. Sometimes a

perspective drawing reveals a problem with the design. These problems are usually associated with how the project fits in with surrounding structures or the environment.

Building plans, elevations, and sections are drawings that show how the outside and inside of your facility will be laid out. The drawings indicate where doors and windows will be and how different spaces will connect to each other. These drawings give the builders a detailed plan of how to construct the project.



Detailed construction drawings show how to build specific parts of your project that may be difficult or unusual. Your engineer should make a detailed construction drawing for every part of your project that needs to be constructed in a specific way.

Materials specifications with cost estimates are tables containing lists of items required for construction, along with the estimated cost of each item. For most projects, there will be many such tables. The costs will have to be updated as you build, but put in as many estimates as you can while you design. These numbers will be particularly helpful when you negotiate your building contracts.

Contracting Methods

There are two basic ways to construct a public facility: you can build it yourself, or you can have a contractor build it for you. If you build it yourself, you use a contracting method called *force accounting*. This method is explained in Chapter 5, and specific details are laid out in Appendix 1. If you don't want to build the project yourself, you will have to hire a contractor. There are several types of contracts you can make with a building

contractor. These are explained in Chapter 5. You may have better control of certain issues if you build it yourself, such as wage rates, local hire, or equipment purchase. On the other hand, other issues may be less troublesome if you hire a contractor, such as deadlines, quality control, and liability. You and your council will have to decide which contracting method to use to build your project. Review the materials in Chapter 5, and talk with people in other communities that have used the methods you are considering, so that you can learn from their successes or mistakes. Be sure to get as much information as you can about the various methods before you make a decision about this critical part of the building process.

Project Schedule

The schedule is an important part of your project. You won't know exactly how long it will take to build your project until you have completed your design, but you need to make a preliminary schedule now. This will help you avoid problems with the timing of your project. The project schedule needs to include:

- How long it will take to design the site and the facility.
- How long it will take to get the necessary permits and approvals.
- When you need to order your materials and how long it will take to get them.
- Events or situations that may have an impact on the timing of your project, such as freeze-up, holidays, or subsistence activities.

Financial Plan

The financial plan is one of the most important parts of a successful project. It helps you estimate the money you will need for the project. It also helps you keep track of how much money you are spending as you build. If you don't have an experienced accountant or financial manager in your community, hire a financial consultant to help you develop your financial plan, or get help from the Alaska Department of Community and Economic Development (ADCED). Contact information for this agency is in Appendix 5. If you decide to use force accounting, you will need a financial consultant to make an estimated budget for you, as well as to establish a cost accounting process for your project management team to use.

Whatever contracting method you choose, your financial plan needs to show the following:

- Where your money is coming from and how much money you will get from each funding source.
- How you will keep track of the money.
- How you will pay the bills, particularly in relation to when you will get your funding. If your funding source requires you to first pay for expenses and then get reimbursed, you may

have to establish credit with a bank or other financial institution.

- How and when you will complete financial reports.

Project Construction

You usually begin construction on your project only after you have designed the site and the facility, acquired the site, received the permits, and made the construction contracts. Sometimes, you can begin construction before the facility design is complete, but unless you have financial guarantees from your building contractor, this can be financially risky.

Regardless of which contracting method you use for construction of your project, be sure your local council or community design team stays involved. There are always many changes to a project design during construction, and community involvement is the only way to make sure that these

changes reflect the real needs of the community. You also have to be responsible for holding pre-construction meetings, managing the construction contracts, inspecting the work, and closing out the project when it is complete (see Chapter 7 for a detailed discussion of what you need to do during construction).

“The financial plan is one of the most important parts of a successful project.”

CHAPTER THREE

ACQUIRE THE SITE

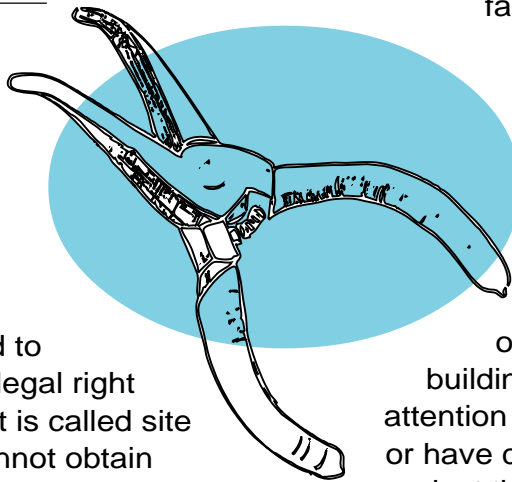
What is Site Control?

How to Acquire a Site

If You Can't Acquire Your Site

What is Site Control?

The specific piece of land on which you put your building is your site. Before you applied for your capital grant, you probably selected the site on which you want to build your project. Now that you have received your grant, you need to make sure that you have the legal right to use the site. This legal right is called site control. It may be that you cannot obtain control of your site. If this happens, you will need to pick another site and acquire control of it. Each of these tasks is complicated and requires several steps.



you give control of the completed facility to the owner of the site. That person will have the right to say who can come onto the property, how the property can be used, and even if the facility can be used at all. The landowner can demand that the building be removed or that you pay to use the building. So you need to pay special attention to making sure that you own or have control of the site for your project through lease or another method.

Acquiring site control is a complicated process, but it's easier if you divide the process into several steps. Some of the steps may already be completed or can be done easily. Some may not. These steps include

- Determine who owns and controls the land.
- Determine the level of site control required by your project.
- Negotiate with the owner of the land for site control.
- Complete and record all documents.

How to Acquire a Site

Once you have chosen the site for your project, you have to acquire the legal right to use it. You must get this in writing; a verbal agreement is not enough. In many cases, your funding source will not release your money until you show them proof that you have control of your site. If you do not have site control and you build the project anyway,

Determine Who Owns the Land

First you must find out who legally owns the site you want to use. It is not enough to assume that the village corporation or the city owns it, based on what most people think. You must find out definitely who has the legal right to say what happens to the site you want to use, before you build anything on it.

The only way to know for sure who owns a piece of land is to find out the history of ownership of the land. This is called the chain of title. The first step in tracing the chain of title is to find the legal description of the land, which is usually the lot and block number of the site on a survey (for example: Lot 5, Block 3, USS 2290). Once you have the legal description, you can find out who has owned the land by tracing the chain of title.

Since all land in Alaska was once claimed by the federal government, the chain of title for all property starts there. The Bureau of Land Management (BLM) has records of every piece of land in Alaska. BLM's records show if the federal government still owns the land, including which federal agency manages it. These records also show if the land has been conveyed to another entity, such as a regional or village corporation, a municipality, or a private individual. Depending on who received the land determines where you would next look. If the land was conveyed to the state, check the land records at the Department of Natural Resources (ADNR). If it was

conveyed to any other entity, check the records in the Alaska Office of the Recorder. Depending on how many times ownership of the land has changed, you may need to contact more than one office. Contact information for these agencies is in Appendix 5.

Tracing a chain of title is not always easy to do. A lot of land in Alaska has changed ownership as a result of the Alaska Native Claims Settlement Act (ANCSA) and other land laws or through one of several federal land distribution programs. What you may think is a clear title to a piece of land may actually have restrictions on it. When researching a chain of title, always consult someone who has experience in tracing land title and dealing with land conveyances.

If a regional or village corporation appears in the chain of title, you must trace the ownership history of both the surface of the land, called the surface estate, and the material under the surface, called the subsurface estate. Usually only regional

corporations hold title to subsurface estates, and they continue to do so even when they convey ownership to other entities. If you are planning to excavate your site in any way, be sure to check with its current owner to find out what restrictions there may be on the subsurface estate.

When you research the chain of title, you will find out if there are any liens against the land you want to use. A

“Since all land in Alaska was once claimed by the federal government, the chain of title for all property starts there.”

lien is a commitment to use the land as a guarantee for payment of a debt. Make sure there are no liens, because if there are, you may have to pay the debts of the previous owner before you can use the land.

Determine the Level of Site Control Required

The level of site control you need depends on how you plan to use the land.

If you are going to construct a building, you should get a lease or deed, so that you have sole control of the land. If you need to build something across someone else’s land, you should get an easement or right-of-way for the particular use you plan. If you are going to use the land only temporarily, such as during construction, you should get a use permit.

The table at the right shows the recommended level of site control for different types of projects.

Negotiate With the Current Owner

Once you know who currently has control of your site and what kind of site control you want to get, contact the current owner to start negotiations. If the owner is a government agency or public entity, you may be able to get control of the land for less than fair market value. In many parts of Alaska, there are no established market values for land. If this is so in your area, you have to decide how much to offer for the land. When you do this, think about what similar land has sold for recently. Also consider any liens against the land and any tax advantages the current

| Recommended Level of Site Control for Different Projects | | | | |
|--|------|-------|-----------|------------|
| Facility | Deed | Lease | Ease-ment | Use Permit |
| Community Hall | X | X | | |
| Clinic | X | X | | |
| Fire Station | X | X | | |
| Bulk Fuel Storage | X | X | | |
| Dump | X | X | | |
| Shop/Storage Building | X | X | | |
| Cemetery | X | X | | |
| Dock | X | X | | |
| Campground | X | X | | |
| Generator Building | X | X | | |
| Multi-Purpose Building | X | X | | |
| Washateria | X | X | | |
| Water Well | X | X | X | |
| Septic System | X | X | | |
| Sewage Lagoon | X | X | | |
| Communication Site | X | X | X | |
| Road (greater than 25' wide) | X | | X | |
| Trail (less than 25' wide) | X | | X | |
| Boardwalk | | | X | |
| Power Line | | | X | |
| Water/Sewer Line | | | X | |
| Pipeline | | | X | |

owner may get from selling the land to you, as these factors should reduce the sale price of the land. If you and the current owner have trouble agreeing on a price, consider hiring a professional appraiser to provide an objective opinion on the value of the land.

When you negotiate with the current owner of your site, you should be negotiating the type of conveyance you will receive, as well as the price you will pay. The clearest ownership of land is conveyed with a warranty deed, so consider offering a higher price if the current owner will give you one (see the table of site control definitions for an explanation of various types of land conveyances). If you want to

Definitions of Site Control Terms

| | |
|--------------------|--|
| Warranty Deed | A legal document used to transfer ownership of land in which the current owner promises (warrants) that they will legally defend your claim to the land if it is challenged. |
| Quitclaim Deed | A legal document used to transfer ownership of land, in which the current owner transfers whatever ownership of the land he or she may have. There is no guarantee that the person does, in fact, own the land. |
| Patent | A legal document used by the federal government and sometimes the State of Alaska to transfer public land to an individual. |
| Interim Conveyance | A legal document used to transfer ANCSA land that has not yet been surveyed. An interim conveyance gives the ANCSA corporation the same ownership status that a patent does. When the land is surveyed, the interim conveyance is converted to a patent. |
| Lease | A legal contract granting the right to use land for a specific purpose for a specific period of time. The land owner keeps ownership of the land, and the lease holder gets exclusive use of the property. If you are leasing land to build a building on, the period of the lease should be at least the useful life of the building. |
| Easement | An easement is a document granting the right to use a piece of land for a specified purpose. It varies from a lease in that owner of the land may continue to use the land as long as the use does not interfere with the easement owners use of the land. |
| Right of Way | A specific type of easement. Generally a Right-of-Way is a strip of land used for transporting some item, be it trails (people), vehicles (roads), fluids (pipelines), or electronic media (cable TV or electric lines). |
| Use Permit | A legal right to use someone else's land for a specific short-term purpose, such as crossing over it during construction. A permit or license may be subject to conditions and may be cancelled. |

lease your site, consider offering a higher price per year for a longer lease (for example, for a 30-year lease rather than a 15-year lease with a 15-year renewal). If you cannot agree on a price and type of conveyance, you will have to look for another project site.

Complete and Record the Documents

Once you have reached an agreement about price and type of conveyance with the current owner of your site, you must write and record legal documents transferring control of the site to you. Always have an attorney write or review

these documents. Make sure that the documents are signed by individuals with the legal authority to represent both your organization and the current owner of the site. Once the documents are signed by both parties, make sure they are properly recorded.

Documents that convey control of land must be written and signed in a particular way to be legal. This is why you must use an attorney when you create them. An attorney can make sure that all the necessary wording is included correctly, and that all the

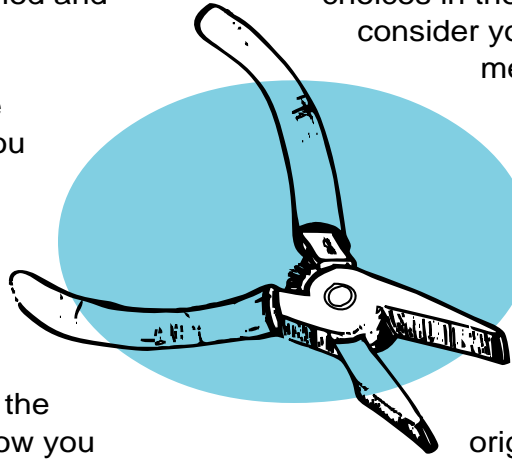
necessary attachments, such as legal descriptions or appendices, are included. He or she can also make sure that the documents are properly signed and notarized.

Once your land conveyance documents are complete, you need to record them at the Alaska Office of the Recorder. Contact information for this agency is in Appendix 5. You may have already contacted this office when you researched the chain of title for your site. Now you must file your land conveyance documents there to give public notice that you own or control the land. It is important that you record your documents as soon as possible after they are signed. If somehow, two sets of documents for the same land exist, the documents that are recorded first are the legally binding ones.

The recorder will not accept your documents unless they meet certain requirements. For example, they must be legible and properly signed and witnessed. These requirements are stated in Alaska Statutes 40.17.030-035. Your attorney can help you make sure that your documents meet the recorder's requirements.

If You Can't Acquire Your Site

Sometimes you cannot acquire control of your site, either because the current owner of the site cannot transfer it to you or because you cannot agree on a price or type of conveyance. If this happens, you must look for an alternate site.



The first place to look is on the list of possible sites you developed when you first selected a site for your project. If you had several choices in the original site selection process, consider your second choice. If this site will meet your project goals and objectives, start again on the process of acquiring control of it, beginning with determining who owns the land. If this site will not meet your goals and objectives, consider your third choice of sites. If none of the alternate choices on your original list of possible sites will meet your goals and objectives, begin a new site selection process to identify some new possible sites.

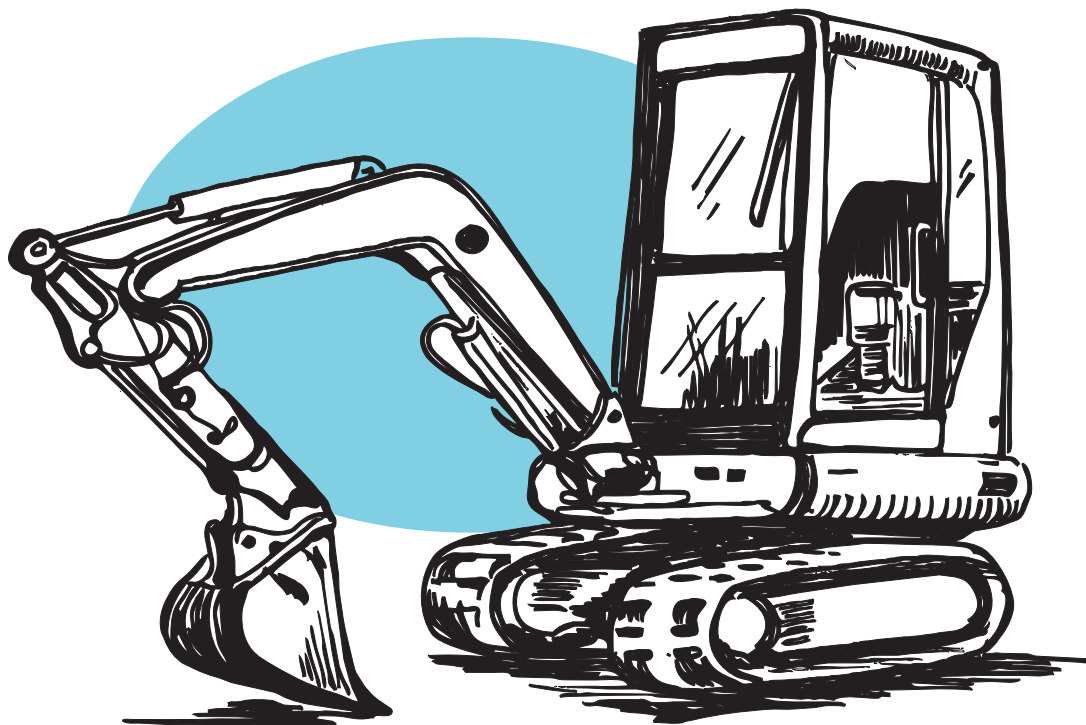
If you cannot find a site that meets your goals and of which you can acquire control, you have two choices. You can choose to either change your goals or not do the project. These may sound like drastic choices, but they may be necessary. Your project will not serve your community well if the cost of the site makes it too expensive to operate or maintain, if it is dangerous to use, or if it conflicts with other community goals. It may be better to abandon this project and move on to the next project on your capital improvement priority list. If you choose to abandon a project for which you have already been promised funding, contact your funding agency immediately. You may be able to use the same grant funds on another project without submitting a new application if you and the agency can agree on your next priority.

Conclusion

Acquiring site control often takes a lot of work. It is important to take the time to do it correctly, so that you won't have any legal problems with your site after your project is built. Be sure to do all the steps in acquiring control of a site:

- Determine who owns and controls the land.
- Determine the level of site control required by your project.
- Negotiate with the owner of the land for site control.
- Complete and record all documents.

You may be able to pay for the cost of acquiring site control with funds from your grant. If cost is not a factor, it is probably easier to hire professionals to research the chain of title and negotiate a fair price with the current owner. If your funds for this are limited, your city or tribal government may need to find someone to get this done. If you need assistance with your site control process, contact the Alaska Department of Community and Economic Development (DCED) or your regional corporation. Contact information for DCED is in Appendix 5.



CHAPTER FOUR

GET THE PERMITS

Your Project Requires Permits

Alaska Coastal Management Program

Alaska Department of Environmental Conservation

Alaska Department of Natural Resources

Alaska Department of Fish & Game

Alaska Department of Transportation & Public Facilities

State Fire Marshal

Federal Government

Local Government

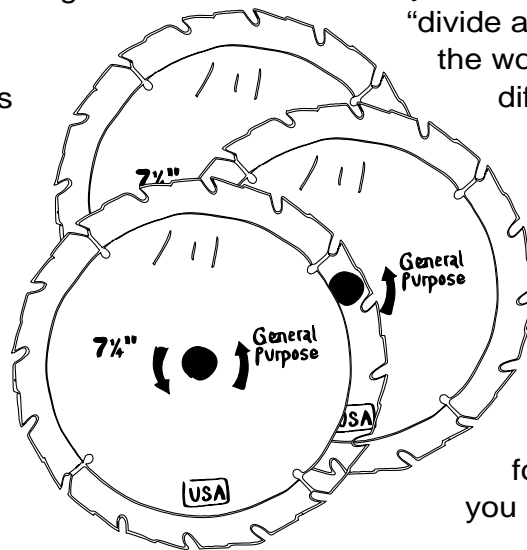
Your Project Requires Permits

Almost all public building projects require some permits. A few permits may come from your local government, but most come from state or federal agencies. Generally, you will need two types of permits: building and operating.

You need building permits for specific activities that are part of constructing your building, such as burning or temporary water use. You need operating permits for specific activities that are part of using your building after it's finished, such as wastewater disposal or food processing. You need to get your building permits first, because you can't start construction until you do, but start working on getting your operating permits as soon as you

can, so that you will be able to use your building as soon as it's finished.

Getting your permits may seem like a huge amount of paperwork, but it's an important part of a successful project. Get some people in your community to help you and "divide and conquer," by sharing the workload of contacting the different offices and filling out the various forms. The agencies listed in this chapter are eager to help you get your permits, but if it seems like too much work, hire a professional consultant to help you. However you do it, apply for your permits as soon as you can, because it sometimes



takes months to get them. Also, you may have to change your site or building design or adjust your schedule to fit with the requirements of your permits.

In this chapter, we review the permits most often required for public projects. If you think you need a permit that isn't mentioned here, or if you have any questions about a particular permit, contact the Project Review Staff at the Alaska Division of Governmental Coordination (DGC). Contact information for this agency is in Appendix 5.

Alaska Coastal Management Program

If your community is in one of Alaska's thirty-five coastal districts, you must work through the Alaska Coastal Management Program (ACMP) to get your permits. This actually makes the process easier, because you work with one agency that knows about all the different types of permits you need. When you are ready to start getting your permits, fill out the Coastal Project Questionnaire (CPQ), listing all the various building and operating activities you are planning that might require permits. If your community is not within a coastal district, you can still use the CPQ to find out what agencies you have to contact, but the ACMP can't help you get your permits. (DGC still can). The CPQ, instructions for filling it out, and

“ADEC regulates all activities in Alaska that might pollute our the air, water, or soil.”

a map of Alaska's coastal districts are on the ACMP Web site. The Web address and other contact information for this agency is in Appendix 5.

Alaska Department of Environmental Conservation (ADEC) Permits

ADEC regulates all activities in Alaska that might pollute the air, water, or soil. There are dozens of ADEC permits related to constructing and operating public buildings, and your project probably requires at least a few. If you're not sure what ADEC permits you need, you can fill out a questionnaire on their Web site. The Web address for the questionnaire and other contact information for this agency is in Appendix 5. You need to contact ADEC for the following types of permits and approvals:

Plan Review and Inspection of All Public Facilities

You need this if your project includes a food service operation, restaurant, food store, food or game processor or storage, warehouse, school, swimming pool, day care center, child or adult residential care center, or public bathroom or shower.

Air Quality Construction and Operating Permits

You need these for any facility that discharges smoke or toxic vapors during its operation.

Open Burning Permits

You need these if you want to use open burning to get rid of demolition materials or construction trash.

Meat and Poultry Permits

You need these if your project includes a meat or poultry processing operation.

Seafood Processing Permits

You need these if your project includes an operation to process fish for people to eat, even if you are not going to sell the fish. This includes an ice plant related to a fish processing operation.

Dairy Industry Permits

You need these if your project includes a dairy products processing operation.

Food Service Permits

You need these if your project includes a food service operation that serves at least eleven people a day.

Underground Storage Tanks (UST) Registration

You need this if your project includes an underground storage tank for a petroleum product.

Wastewater Disposal Permits

You need these if your project includes a sewage treatment facility or any wastewater discharges, or if you will have contaminated water to get rid of when cleaning up your site or during construction.

Water and Wastewater Operator Certification and Training

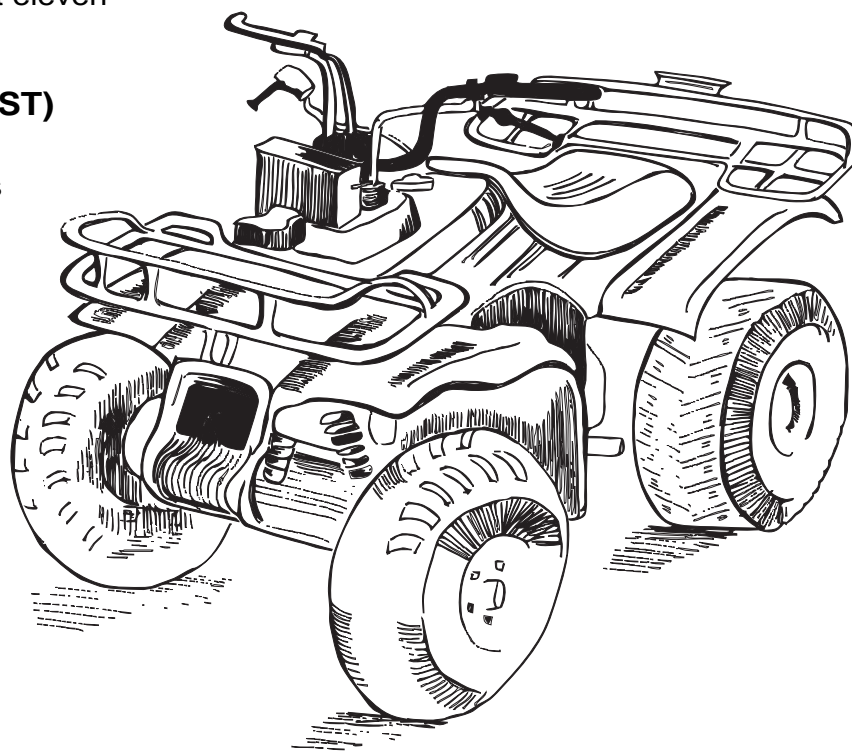
You need these if your project includes a water or wastewater treatment facility.

Solid Waste Permits

You need these if your project includes a landfill or a facility for land-spreading sewage sludge or getting rid of contaminated soil or industrial wastes (such as oilfield drilling mud) on land.

Oil Discharge Prevention and Contingency Plans and Proof of Financial Responsibility

You need these if your project includes a bulk fuel storage plant, oil terminal facility, pipeline, or exploration or production facility. This is to ensure that you are prepared to prevent and respond to oil spills.



Contaminated Sites Workplan Approval

You need this if your site is contaminated by oil or another hazardous substance. This is to ensure that you clean up the site and get rid of the contaminated material correctly.

State Water Quality Certification of Federal Permits

You need these if your project includes discharges to navigable waters or wetlands. This might occur during dredging or filling activities or during the operation of your facility.

Storm Water Permits

You need these if the storm water runoff during construction or operation of your project may be polluted.

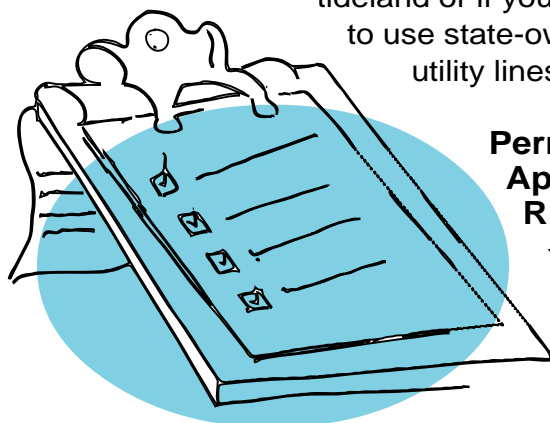
Alaska Department of Natural Resources (ADNR) Permits

ADNR regulates the use of Alaska's natural resources, including oil and gas, minerals, water, agricultural land, forests, and parks. If your project affects any of these resources, you need to contact DNR to get permission to build and operate it. Contact information for this agency is in Appendix 5. You need to contact DNR for the following permits:

Land Use Permit or Lease

You need this if you want to build something such as a sewer outfall, on state-owned

tideland or if you want a permit or easement to use state-owned land, for example for utility lines.



Permit or Certificate to Appropriate Water (Water Rights)

You need this to get the legal right to use ground water or surface water in any way related to your completed project.

Temporary Water Use Permit

You need this if you want to use water temporarily, such as during construction.

Certificate of Approval to Construct, Modify, Remove, or Abandon a Dam

You need this if you want to build a dam or if you want to change or remove an existing dam.

Burn Permit

You need this if you want to use open burning during fire season to get rid of demolition materials or construction trash.

Houselog Permit

You need this if you want to cut trees on state land to use in building your project.

Section 106 Review

You need this if there is any chance that your site has historic or cultural significance. This is not technically a permit, but ADNR administers this program, and you need to contact them if you think your site falls under the National or Alaska Historic Preservation Acts.

Alaska Department of Fish and Game (ADF&G) Permits

ADF&G regulates all levels of fishing and hunting in Alaska, as well as the habitats where fish and game live. If your project is near a fish stream, in a game refuge, or in a critical wildlife habitat, you need to contact ADF&G to get permission to build and operate it. Contact information for this agency is in Appendix 5. You need to contact ADF&G for the following permits:

Fish Habitat Permit

You need this to build or work in a fish stream.

Culvert/Bridge Installation Permit

You need this to build or change a culvert or bridge over a fish stream.

Special Areas Permit

You need this to build or work in a state game refuge or sanctuary or a critical wildlife habitat.

Alaska Department of Transportation & Public (ADOT&PF) Facilities

ADOT&PF regulates all state roads and state-owned buildings and facilities. If your site borders a state road, you need to contact ADOT&PF to get permission to connect to or build near that road. Contact information for this agency is in Appendix 5. You need to contact ADOT&PF for the following permits:

“ADOT&PF regulates all state roads and state-owned buildings and facilities.”

Right of Way Permit

You need this if you want to put any structure on a state right of way, which is land on which the state has built or plans to build a road. This includes the strip of land right next to the traveled part of the road.

Driveway Permit

You need this if you want to connect a driveway to a state road.

State Fire Marshal

In most parts of Alaska, the state fire marshal must approve all construction on public buildings and fuel tanks to make sure that they are not fire hazards. However, in Anchorage, Fairbanks, Juneau, Kenai, Kodiak, Seward, Sitka, and Soldotna, the municipal government does this. Unless your project is in one of these cities, you must contact the state fire marshal to get a review and approval of your building plans. Contact information is in Appendix 5.

Federal Government

There are several federal agencies that regulate construction and operation of various types of public facilities. These include dredging, filling, or building a bridge over navigable waters or wetlands; discharging wastewater or sewage into any kind of water; building near an airport; building or using a hydroelectric plant, a dam, or a natural gas pipeline; and building on federal land. If your project

includes any of these activities, contact the federal agency that regulates that activity. Contact information for these agencies is in Appendix 5. You may need to get permits from the following federal agencies:

Bureau of Land Management (BLM)

Contact this agency if your site is on BLM land or if you have to cross BLM land to get to your site.

US Forest Service (USFS)

Contact this agency if your site is in the Chugach or Tongass National Forests or if you want to cross USFS land with a water line.

Federal Aviation Administration (FAA)

Contact this agency if your site is within five miles of a public airport.

US Army Corps of Engineers (USCOE)

Contact this agency if your project includes dredging or filling any navigable water or wetlands.

US Coast Guard (USCG)

Contact this agency if your project includes building a bridge or causeway over navigable water or wetlands, such as a marine header for fuel unloading. Also contact USCG if your project includes a deepwater port.

US Environmental Protection Agency (EPA)

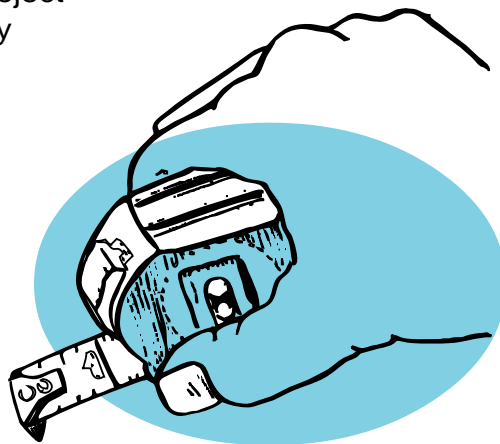
Contact this agency if your project includes the discharge of wastewater, sewage, or sludge into any kind of water; if constructing your project will expose at least five acres of soil; or if the storm water runoff during the construction or operation of your project might be polluted.

Federal Energy Regulatory Commission (FERC)

Contact this agency if your project includes building a hydroelectric plant or any kind of electrical transmission facility, placing utility lines on federal land, using water from a federal dam, or building a natural gas pipeline facility.

Local Government

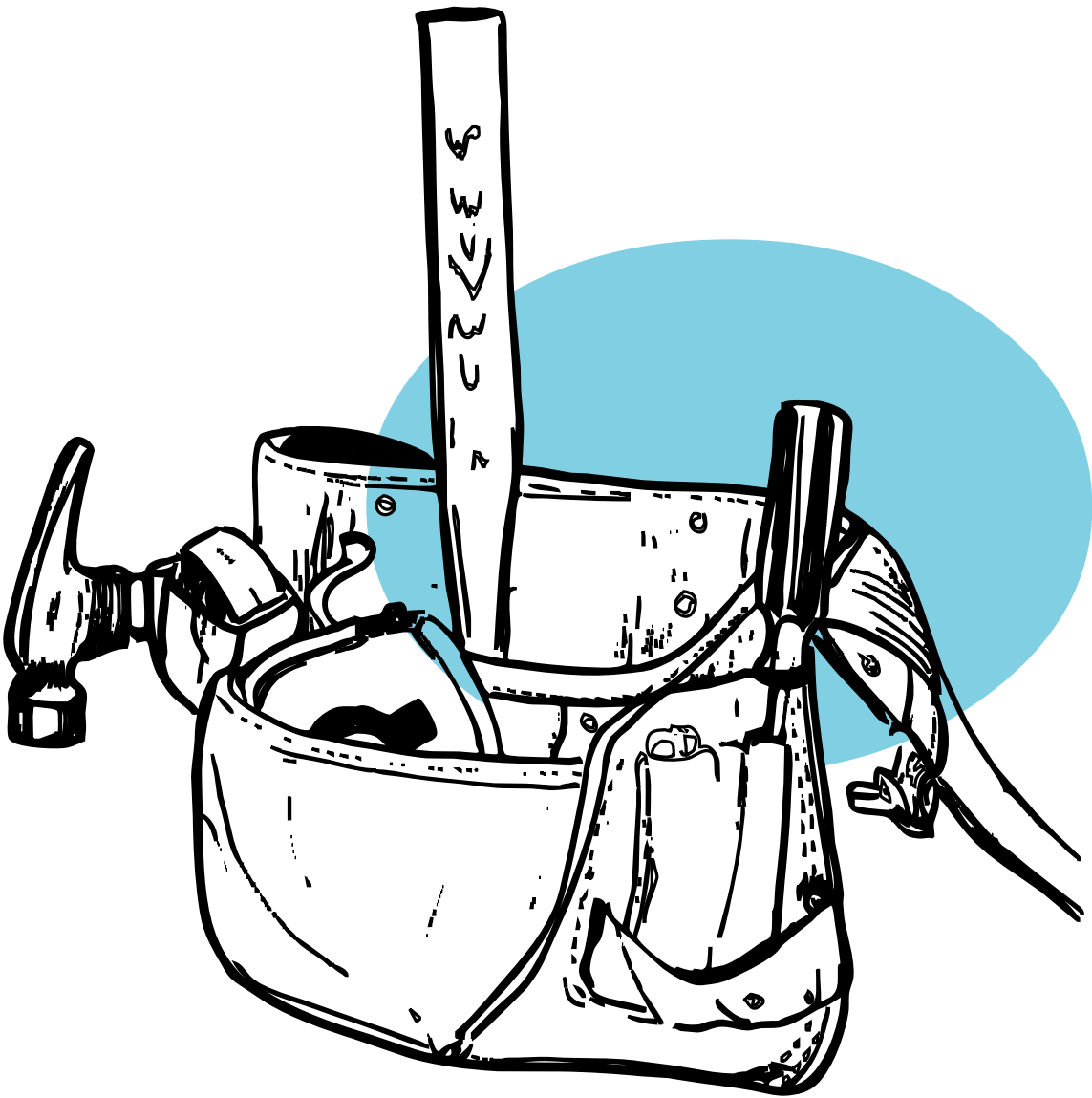
If your community is an incorporated municipality or if it is unincorporated and located in a borough, your local government may require you to submit your plans for review by the planning commission. You may also need to get local permits before you build. These might include a building permit, a conditional use permit, a variance, or an excavation permit. If you are building on or near a floodplain, you may need to get a flood hazard development permit. Be sure to check with your local government to find out what permits it requires.



Conclusion

Once you have figured out what permits you need and have applied for them, you can go on with the next steps in planning your project: choosing your contracting methods and writing your contracts. Most permits take some time to get, so don't wait until you have

them all in hand before you continue planning. After you have applied for your permits, keep in touch with the permitting agencies. Check with them from time to time to be sure that your applications are complete and correct and that they haven't gotten lost.



CHAPTER FIVE

CHOOSE A CONTRACTING METHOD

Choosing a Contracting Method

Fixed-Price Contracts

Cost-Plus Contracts

Guaranteed-Maximum-Price Contracts

Design-Build Contracts

Turnkey Contracts

Construction Management Contracts

Force Accounting

Choosing a Contracting Method

Whenever you hire someone to work for you, you make an agreement with that person about what work the person will do and how he or she will be paid. This agreement is a *contract*. As you plan and design your site and building, you may have to make contracts with engineers, planners, or other professional consultants. You may also need to make contracts with builders and laborers to build your project. The way you make these contracts is your *contracting method*.

When you choose a contracting method, think about the needs and abilities of your community. Think about how complicated your project is, how much time you have to build it, how complicated the record-keeping and administration of the project will be, and how much interest and expertise you have within your community. Choose a contracting method that you

can easily manage with the resources you have. Also check with your funding source to find out if they require or prohibit any particular contracting methods.

It's important to get your community involved in this part of your project. If you can, get a few people who know about or have an interest in contracting to help you choose the contracting method that works best for your community and your project.

“Choose a contracting method that you can easily manage with the resources you have.”

The most common contracting methods for the construction part of a project are *fixed-price*, *cost plus* and *guaranteed maximum*. There are also contracting methods that include other parts of a project, such as designing or financing. These methods are *design-build*, *turnkey*, and *construction management*. In addition, there is a do-it-yourself alternative to contracting, called *force accounting*.

Fixed-Price Contracts

A fixed-price (or *lump-sum*) contract is the contracting method used for most capital projects in Alaska. It is an agreement to build the project for a certain price, regardless of the cost to the builder. For example, you might hire a contractor to build a community hall for a fixed price of \$300,000, using a design you provide. If the contractor builds it for \$250,000, you pay \$300,000 and his profit is \$50,000. However, if it costs the contractor \$325,000 to build the community hall, you still pay \$300,000 and he loses \$25,000.

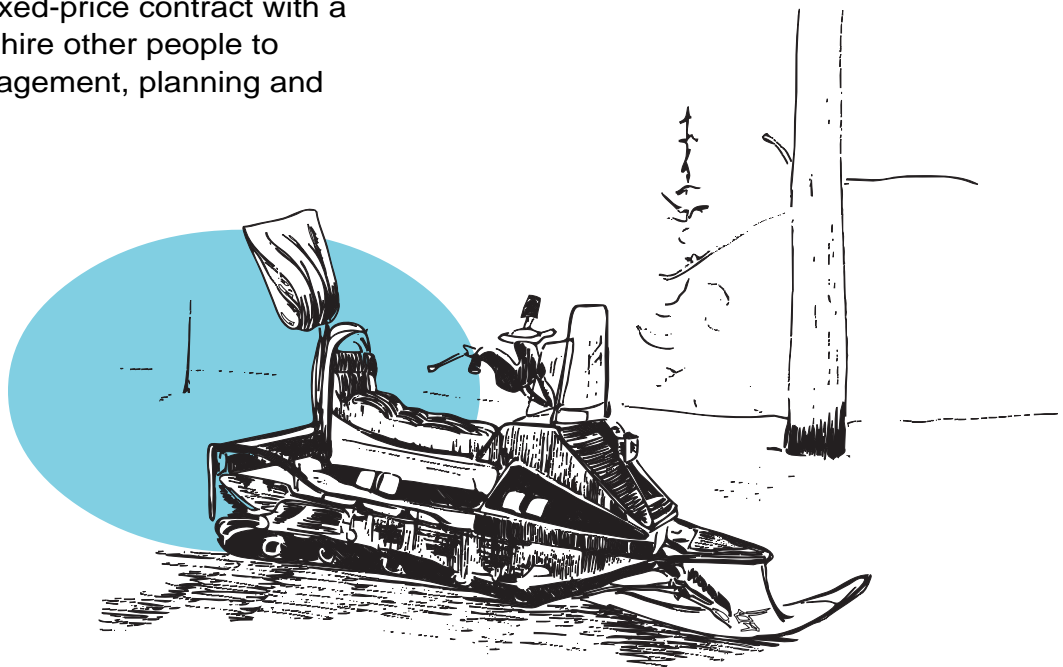
Good final design drawings are essential to making a good fixed-price contract. Whether you choose a builder and negotiate a fixed price, or ask for bids and choose the lowest bid, you need a set of detailed construction drawings to give each possible builder. If you change your design after you have made a fixed-price contract, you usually have to pay extra for the changes.

When you make a fixed-price contract with a builder, you have to hire other people to provide project management, planning and

design, budgeting, and inspection. This is not really a problem, but you have to take it into account when you make your overall budget.

With a fixed-price contract, the builder usually covers any extra costs that occur if the project takes longer or if materials are more expensive than he estimates. Sometimes fixed-price contracts include promises to pay the builder more if there are specific problems that you can or can't foresee. If your fixed-price contract includes such promises, be sure to describe in detail the problems for which you will pay extra.

A fixed-price contract can include incentives for the builder to finish the work faster or cheaper. You may want to offer a bonus if the builder completes the project early, or you may get a lower bid if you are flexible about scheduling or materials.



ADVANTAGES of a Fixed-Price Contract

- The builder takes most of the financial risk in the construction part of your project.
- It is relatively simple to choose a builder because all the bidders are working from the same design and specifications.
- The builder is motivated to do the construction work economically and quickly so your project is not likely to drag out for a long time.
- It requires the simplest bookkeeping and auditing.

“Good final design drawings are essential to making a good fixed-price contract.”

DISADVANTAGES of a Fixed-Price Contract

- The builder will want to make the greatest possible profit by constructing the building for the least possible money. This means that your community may not get the best possible building for your money. You must have a good inspection system to make sure the contractor is using the correct materials and proper workmanship.
- Changes made after the contract is signed may add to the cost.
- You cannot make this type of contract until your design and construction drawings are complete. Otherwise, the cost of materials may go up while you are finishing the drawings, so that the builder can no longer construct the building for the bid he gave you, or the builder may find other work while you are finishing the design and no longer be available to work on your project.
- It is hard to use this type of contract if you are planning to build your project in phases, because the different phases may overlap, making it hard to divide each phase into a separate contract.
- It may be hard to find a builder who will make a fixed-price contract using local labor because the builder may not feel certain that local workers have the skills they need to do the work or that they will be available when he needs them.

Cost-Plus Contracts

A cost-plus contract is an agreement to pay a builder the actual cost of constructing a building, plus a contractor's fee. This fee may be either a set amount or a percentage of the actual cost. A guaranteed-maximum-price (or *upset-price*) contract is like a cost-plus contract, except that the builder agrees not to charge you more than a specific maximum amount. If the project costs more than that amount to build, the builder covers the extra cost.

A variation on this contracting method is to have a fixed-price contract for labor and a cost-plus or guaranteed-maximum-price contract for materials. Many people use this method so that they can begin construction as soon as they have their basic designs finished and before they have done all the construction drawings and specifications for materials.

When you make a cost-plus contract, you agree to pay a builder the actual cost of constructing your building, plus a set fee or a percentage of the cost. If the construction costs \$200,000 and you have agreed to pay a 20% fee, you pay the builder \$240,000. If it costs more to construct the building, you pay the builder more. But if you agree to pay the builder a set fee of \$40,000, you pay that amount no matter how much it costs to construct the building.

You should get several bids before you make a cost-plus contract, so that you can choose a builder who is experienced and offers you a reasonable price. In order to ask for bids, you need to have a completed building design. You also need to divide your building process

into specific tasks for each of which a bidder can set a price. Dividing a major building project into tasks that a builder can bid on is difficult, and you probably need to hire a professional consultant to help you do it. You can ask for bids without a complete set of construction drawings or a detailed task list, but your bids will probably not be accurate, and you may not be able to get responsible builders to submit bids.

In cost-plus contracting, it's important to choose a builder who has experience with building the type of project you are planning, so you can be sure he will know how to build it for the lowest possible cost. The builder should also have experience with cost-plus contracts and show clearly that he can keep accurate records of expenses.

In cost-plus contracting, someone from your community must keep a close watch on the builder's work to be sure that he is constructing the building according to the design and that there are no unnecessary changes or expenses. If possible, get a few people with building experience to keep track of the contractor's work. If you agree to a set contractor's fee rather than a percentage, there is less chance the builder will spend money unnecessarily just to raise his fee.

You may want to offer a higher contractor's fee if the builder uses local workers or completes the project by a certain date but be careful. You might end up spending a lot more on your project than you expected. With a cost-plus contract, it is easy for the cost of a project to increase beyond the amount of your funding.

ADVANTAGES of a Cost-Plus Contract

- You can save time, especially at the beginning of your project. Unlike fixed-price contracting, you do not have to know precisely how much the project will cost in order to begin. You can begin to build before you have completed your design, which may be important if you are up against an important deadline, such as a fishing season.
- It is easy to make design changes during construction because you don't have to change your contract with your builder.
- Since you, not the builder, are taking the financial risk, you may find a builder willing to work for a lower price.
- Because this kind of contract is not so financially risky for the builder, it is a good way to get builders to bid on projects that are particularly large, complicated or dangerous.

DISADVANTAGES of a Cost-Plus Contract

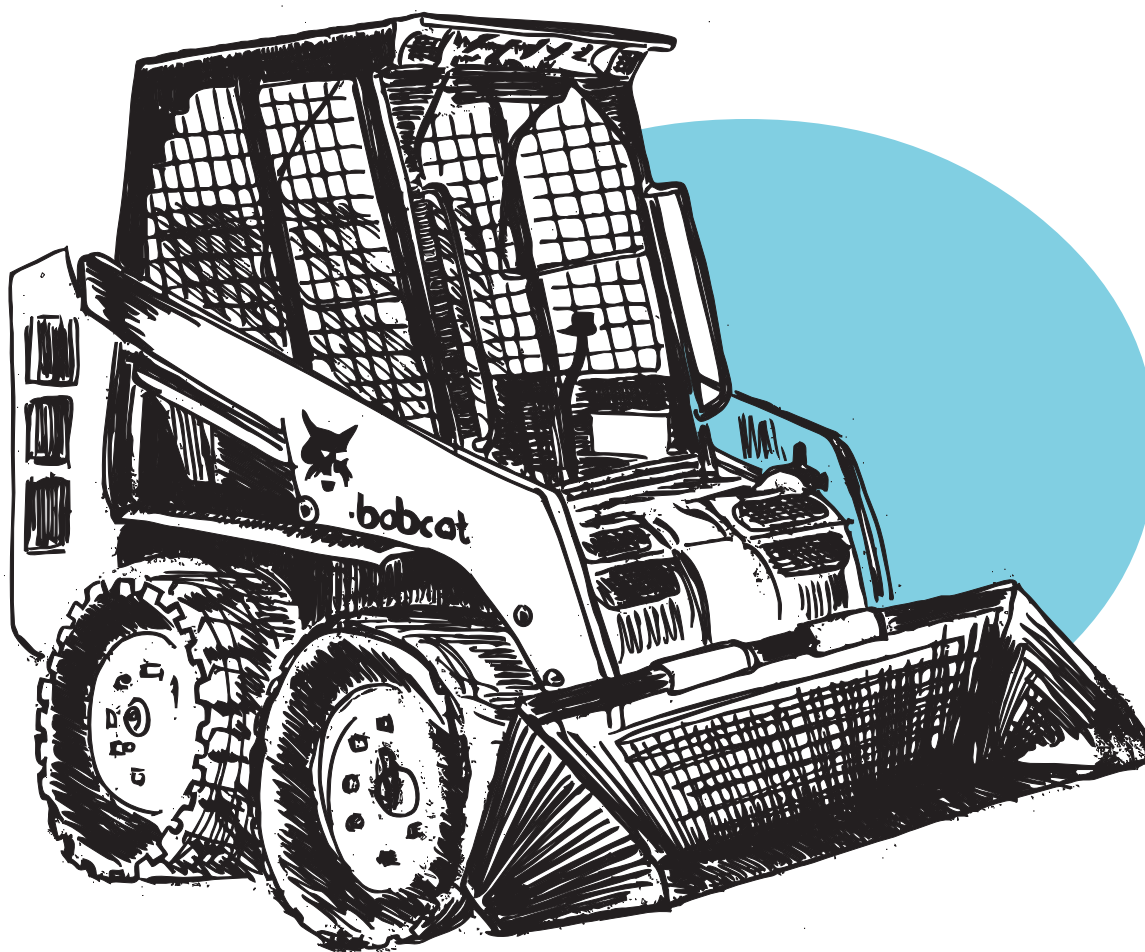
- You don't know the final cost of building your project until it is finished.
- You, not the builder, pay the cost of unexpected construction problems.
- It is more important to choose a good builder. If the builder does not have the right kind of experience, there may be extra costs to fix problems with the building, which you, not the builder, will have to pay.
- In addition to needing separate engineers and planners, you need to have experienced managers and inspectors to keep track of the builder's work. If you don't have these people in your community, you will have to pay to bring them in from outside.
- As soon as construction begins, you have to make design decisions quickly to keep up with the building process. Sometimes it's hard to make good decisions when you are in a hurry, and if you can't make the decisions quickly enough, your project may be delayed or cost more.



Guaranteed-Maximum-Price Contracts

In a guaranteed-maximum-price contract, you make an agreement with a builder similar to a cost-plus contract, except that the builder promises that the project will not cost more than a specific maximum amount. In fact, a guaranteed-maximum-price contract may start out as a cost-plus contract and change when the design of the project is complete enough that you can make a close estimate of the total cost.

Guaranteed-maximum-price contracts are similar to cost-plus contracts in many ways. You still need to be careful to choose an experienced builder, and you still need to keep close track of expenses. But because of the limit on cost, you do not have to be as careful.



ADVANTAGES of a Guaranteed-Maximum- Price Contract

- You have some of the advantages of a fixed-price contract (your cost is limited and the builder takes the financial risk) and some of the advantages of a cost-plus contract (you can start building before you have completely finished planning).

DISADVANTAGES of a Guaranteed-Maximum Price Contract

- You have all the disadvantages of a cost-plus contract, except that your financial risk is limited.
- This type of contract is unusual, and it may be hard to find builders willing to bid on it.

“You still need to be careful to choose an experienced builder, and you still need to keep close track of expenses.”

Design-Build

A design-build contract is a single agreement with one company to design and build your project.

When you make a design-build contract, you are choosing one company to both design and build your project. You may either choose a company you like and negotiate a design-build contract with it, or you may ask several companies to bid on your project. If you get bids from several companies, compare them carefully. This can be difficult, since your project has not yet been designed. Give each bidder your project objectives and preliminary plans. Check each company's references, and be sure to talk to people in other communities where the company has worked. Get some people in your community with contracting or building experience to help you interview the bidders and choose the best one.

The key to a successful design-build project is the contractor's ability to put together a team of designers and builders who can work well with each other and with you. When you interview the bidders, talk to the main designers and builders for each company together and make sure they really can work together.

You can use different methods of payment for the design and

construction parts of a design-build contract. For example, you can contract the design part on a professional fee basis and the construction part on a fixed-price or modified cost-plus basis. If you want to use local workers for the construction part of the project, you might want a cost-plus contract for that part, offering the contractor a higher fee if he uses local workers and offers training. If you want to do this, be sure to tell your bidders about it when you first ask for bids and let them know how many and what kind of local workers are available.

Don't make a design-build contract on a cost-plus basis for the whole project without a guaranteed maximum price. It would be too easy for your project to end up costing far too much money.

In many cases, you can hold off on making the construction contract until the design is finished and you're certain that you like it. Be sure that any design-build contract you make allows you to end the contract if you don't like the design. If this happens, you may have to start all over again at the beginning of the design process with another company.

“Don't make a design-build contract on a cost-plus basis for the whole project without a guaranteed maximum price.”

ADVANTAGES of a Design-Build Contract

- You may be able to save time since the same company is both designing and building the project. Your contractor may be able to start ordering materials and scheduling construction work and possibly even start building before the design is completely finished.
- Your contracting process is easier than with other contracting methods since you have to make only one major contract.
- Communication is easier than with other contracting methods. You have to keep in touch with only one company, and you don't have to worry about two different companies keeping in touch with each other.

DISADVANTAGES of a Design-Build Contract

- Since each bidder is offering a different design, you can't really compare the bids directly with each other. This makes it impossible to choose the best contractor on the basis of price alone.
- Your contractor profits from designing a building that is cheap to construct, and since he is designing the building, he may not include features in the design that increase the construction cost, such as low operation and maintenance costs (see Chapter 2 for information on operation and maintenance costs). An engineer working independently from the builder is more likely to work for the best interests of your community.
- Without a completed design, bidders cannot estimate very accurately the cost of building your project so they tend to bid high in order to protect themselves. This means that you may end up paying more for your project with this contracting method.
- Some communities do not allow design-build contracts for public buildings because it is so easy for them to cost more than other contracts. Check with your local government's legal staff before you choose this contracting method.
- If you choose a design-build contractor who is not fully qualified to build your project, there is no other major contractor working on the project to help you compensate. Before you choose a design-build contractor, check with other communities where this contractor has worked and make sure that the designers and builders on your project are the ones who worked on other successful projects.
- If you want to make a fixed-price contract for the design part of the project, you must be sure to include in your request for bid all the parts of your project that are really important to you. Once you have made the contract, you probably will not be able to add design features.

Turnkey Contracts

A turnkey contract is like a design-build contract, but it covers all parts of your project. In addition to designing and building, these include project planning, acquiring your site, getting your permits, keeping financial records, buying and installing equipment to use in your completed building, and training local workers to operate this equipment. You make a turnkey contract in much the same way you do a design-build contract. The difference is that, with a turnkey contract, you don't have to do the administrative work for your project. In fact, this contracting method requires the least amount of community involvement in your project. Once you have signed the contract, you give the contractor your goals and preliminary plans. Then you leave the project alone until it is time to "turn the key" to open the door of the finished building and start using it.

Even though you are not actively involved in building a turnkey project, you

must inspect the builder's work at each major stage to make sure that he is doing it correctly. If you do not have an inspector in your community who has experience with the type of building you are constructing, hire a professional from outside.

A turnkey contract can be a good contracting method for a specialized building you want to have built according to a standard design, such as a fish-processing plant, or for a modular or pre-fabricated building. Before you make such a contract, however, be sure that an "off-the-shelf" design will achieve your project objectives (see Chapter 2 for information on project objectives).

Only make a turnkey contract on a fixed-price or guaranteed-maximum-price basis. Never make a turnkey contract on a cost-plus basis, because you have no way of limiting the cost of the project.

"Only make a turnkey contract on a fixed-price or guaranteed-maximum-price basis."

ADVANTAGES of a Turnkey Contract

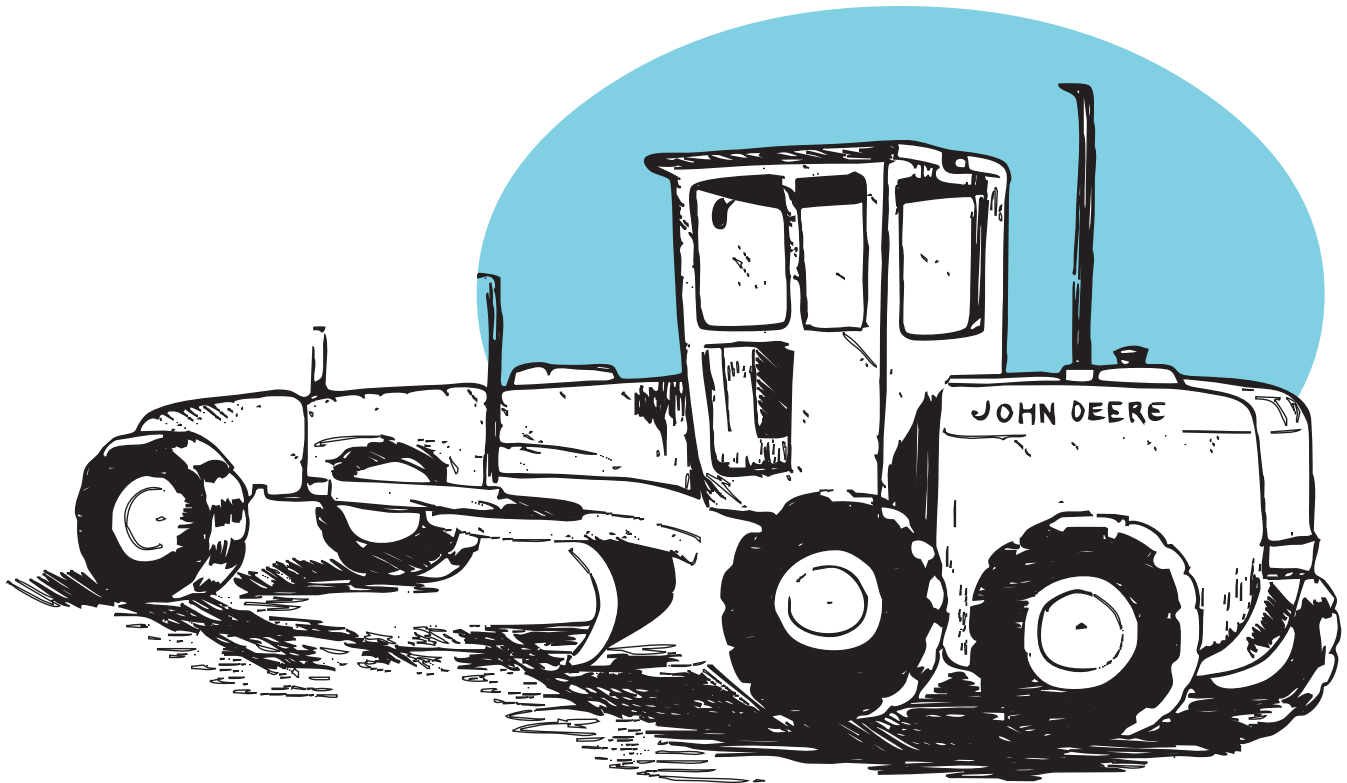
A turnkey contract has the same advantages as a design-build contract, plus the following:

- People in your community may have very little work to do to build a turnkey project. This can be helpful if your project has to be built when community members are busy with other activities, such as fishing or firefighting.
- You can save a lot of money if you buy a standard design for a specialized building or pre-fabricated or modular building parts. Just be sure the standard design will meet your needs.

DISADVANTAGES of a Turnkey Contract

A turnkey contract has the same disadvantages as a design-build contract, plus the following:

- Since your only input into your project is when you choose your contractor, the people who choose your contractor have an enormous responsibility. Once you have a contractor, you're pretty much stuck with whatever he builds.
- Turnkey bids are the most difficult to compare with each other because the contractor is responsible for so many different parts of your project, and each bidder wants to do the project his own way.



Construction Management Contracts

A project management contract is an agreement with a person or company to manage all parts of your project including plan, design, and construction. Your project manager oversees the hire and work of all other contractors involved in your project. He or she represents your community's interests controlling costs and balancing the tendency of engineers and builders to direct the project to their advantage. Every capital project you do, except for turnkey projects, should have a project manager, either a member of your community with management experience or a professional from outside your community.

The success of your project depends on the skill and character of your project manager. For this reason, it is critical that the people who choose the manager review the applications carefully. The best project manager is someone who has experience in construction scheduling, cost controlling, and building design; who knows how to work with engineers, builders, and vendors; and who has worked on projects similar to yours. Also look for someone who understands your community's needs and who has the personal skills to communicate well with all kinds of people.

You can pay a project manager a salary, a flat fee, or a percentage of the estimated or bid cost of your project. Each of these methods has possible problems. With a salary, the manager may want to make the project take

longer so that he or she will get paid for a longer time. With a flat fee, the manager may lose interest in doing a good job if the project takes a long time since his or her profit keeps going down the longer the project takes. And with a percentage, the manager may try to make the estimated costs go up so that his or her fee will go up. The only way to avoid these problems is to hire a project manager you trust and work out a payment agreement that suits you both.

If you hire a project management firm rather than an individual manager, be sure your contract guarantees that one individual will be the lead manager throughout the project. Check the qualifications of that individual, as well as those of the management firm. You may be able to contract with your engineering firm for project management services. This can be good because the company will be familiar with the project design. If you do this, be sure that your engineering firm also has good skills and experience in project management.

A project manager does not replace community involvement. You still need to have as many community members as possible supporting the manager's work helping with project administration, making recommendations about project details, and making major decisions about design, construction, and contracting.



Force Accounting

Force accounting is a popular term for a process in which a community builds a project itself using local labor as much as possible and making professional services contracts for specific tasks that local people cannot do (see Chapter 6 for information on professional services contracts).

To successfully build a project using force accounting, you must have a clear commitment from your community. It takes many dedicated administrators, managers, and workers to construct a public building, and these people need the support of the whole community. This means the whole community needs to know what's happening and be part of all major decisions throughout the project. If there are major conflicts in your community about using force accounting you need to resolve them before you begin to build. These might include questions about whether or not to use force accounting or concerns about specific parts of the process, such as wage scales or hiring practices.

When you use force accounting, you have a lot of control over your project, you can provide jobs for local workers, and you can acquire construction equipment and tools for your community. However, you also have a lot more responsibility for your project. You must take care of all the project administration including scheduling, budgeting,

accounting, and controlling quality. You must hire or contract with all your workers paying wages and employment taxes and providing insurance and benefits. You must purchase all your materials and equipment and provide for the ongoing maintenance of your equipment. You must develop good payroll and accounting systems. All this places an extra burden on your community's administrative staff. Carefully consider whether or not your existing staff can do the necessary work and if you will be able to hire any additional staff you need.

A key to successful force accounting is hiring an experienced person to act as your project superintendent or on-site job boss. This person must be reliable and honest because you have to rely on him or her to supervise construction, oversee the training and activities of local workers, make sure the building is constructed according to the design and the permitting requirements, and stay in good communication with everyone involved in the project. If you hire a project superintendent from outside your community, it is much easier for this person to avoid problems of favoritism or personal prejudice.

Before you choose force accounting for your project, carefully read the detailed description of it in Appendix 1.

“To successfully build a project using force accounting, you must have a clear commitment from your community.”

ADVANTAGES of Force Accounting

- You get to employ a lot of local workers. You also have some control over wage scales, hiring and firing policies, and working hours.
- You help local workers get construction skills and experience. These people may then be able to get better jobs in the future.
- You have more control over your project's schedule, design, materials, and construction quality.
- If you buy equipment to build your project, you will have it available for future projects. You also may be able to rent it out when you are not using it and generate income for your community.
- You can add a lot of money to your local economy. Wages in an average building project are twenty-five to forty percent of the total cost of the project. If most of your workers are local, they tend to spend that money in your community.
- Your local workers may feel an increased sense of ownership in a building they help construct. Though hard to measure, this can be an important long-term benefit to your community increasing community pride and reducing vandalism.
- Also, those who build it may be able to maintain it since they are familiar with the building.
- You may be able to build for less money, since your community doesn't need to make a profit from the project. This means that, if you are funding your project with a set amount of money from a grant, you can get more for your money.

DISADVANTAGES of Force Accounting

- The success of any building project depends on quality control throughout the process. It is harder to maintain high quality work when most of the workers are unfamiliar with building techniques. If your workforce is mostly unskilled, you must have a good training program, and you must inspect the work often to ensure that the finished building is as good as it can be.
- You, not a contractor, take all the financial risk. There are many ways that the cost of a project can go up including poor quality control, incorrect cost estimates, labor or management incompetence, and delays due to shipping problems, weather, or broken equipment. When you use force accounting, you have no guarantees about the final cost of your project.
- You are responsible for any problems or mistakes that occur. There is no one else to fix it.
- Conflicts that currently exist between people in your community may cause problems when you hire local workers for your project. You need to think carefully about this when you make work assignments and put together project teams.

Conclusion

Whatever combination of contracting methods you use, be sure your community is actively involved in choosing and making contracts with your engineers, planners, builders, and managers. Keep a record of

how you choose the methods you use so that when you plan another project, you can refer back to it. This will help you learn which contracting methods work best for different kinds of projects.



CHAPTER SIX

CONTRACTING

Choose the Type of Contract to Use

Professional Services Contracts

Construction Contracts

Bid Documents

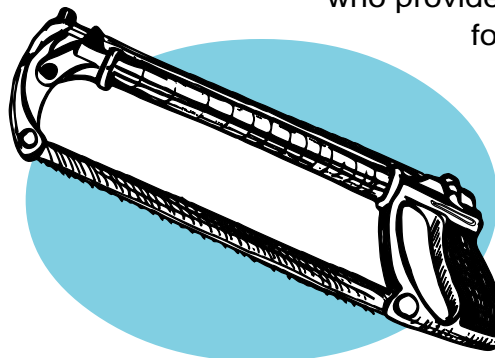
Select a Construction Contractor

When you make an agreement with someone about what work the person will do and how he or she will be paid, you are making a contract. When planning and building a capital project, all your contracts must be in writing, in correct legal form, and signed by both parties. Make sure you understand everything in every contract you sign. In most cases, you should get help from a lawyer to make sure you are writing your contracts correctly and not agreeing to anything that would hurt your project.

Choose the Type of Contract to Use

In the course of your project, you probably will make contracts with several individuals and companies. These might include:

- Planners, engineers, surveyors, and inspectors.
- A lawyer to provide legal advice on site control documents, labor laws, contracts, etc.



- A general contractor to build the project.
- Specialty subcontractors to build parts of the project, such as the plumbing or electrical system.
- Administrators, such as a bookkeeper, an accountant, an auditor, and a payroll clerk.

These contracts fall into two general categories: professional services contracts and construction contracts. Usually, you make professional services contracts with individuals and companies that provide services, such as consulting or research. You make construction contracts with builders who provide a finished product, such as the foundation or electrical system.

Whatever type of contracts you make, it is better to choose from among several bidders than to consider just one contractor. Competing bidders have an incentive to bid lower and to offer more for their price. Sometimes you don't want to or can't get several bids for a part of your project. When you consider only one contractor, it is

called sole source contracting. You should only select a contractor this way when you cannot find more than one contractor who is able to perform a certain task. If you need to use sole source contracting, check with your funding source to make sure they allow it.

Professional Services Contracts

Most construction projects require the professional services of project managers, planners, engineers, lawyers, or other consultants. These services generally involve the contractor's time and talents in areas such as management, design, analysis, planning, or evaluation. In terms of physical objects. There usually is not much to show at the end of the contract, There may be some reports or drawings, but most of the work happens in the professional's mind. You usually choose a professional consultant on the basis of the person's qualifications and the excellence of the proposal he or she submits. Your funding source may also have specific requirements for how you select professional services contractors.

There are four steps in selecting a professional services contractor:

1. Prepare a Statement of Qualifications (SOQ) or a Request for Proposal (RFP).
2. Invite responses from interested consultants.

“Most construction projects require the professional services of project managers, planners, engineers, lawyers, or other consultants.”

3. Select the professional services contractor.
4. Negotiate a professional services contract.

Prepare a Statement of Qualifications (SOQ) or a Request for Proposal (RFP).

The first step in selecting a professional consultant is to write down the work you want the consultant to do and the abilities you want him or her to have. You include these in either a Statement of Qualifications (SOQ) or a Request for Proposal (RFP).

If the job you want the consultant to do is standard or simple, such as inspecting construction work, you can prepare a SOQ. This can be a simple document, but it must include:

- A description of the work you want the consultant to do, and the schedule on which you want him or her to do it.
- A list of the experience and qualifications you are looking for in a consultant.
- Instructions for formatting the response to the SOQ, and when you want the response submitted.
- A description of the process you will use to evaluate the responses.

For more complicated tasks, such as designing a building or if you don't have a clear

understanding of the tasks that need to be done, you must prepare an RFP. In addition to asking for qualifications, an RFP asks consultants to describe how they will do the work and approximately how much it will cost. An RFP needs to include all the items listed for an SOQ, plus the following:

- A list of the factors you will consider when evaluating responses and how you will score each factor. These factors might include cost, experience, familiarity with your community, regional business location, or anything else that is important to you.
- A notice of your limitations in the proposal process. For example, you are not usually liable for the consultant's cost of preparing a proposal, and you are not obliged to accept any of the proposals you receive.
- A request for a concrete plan from the consultant for how to do the requested work. This plan usually must include:
 - A statement showing that the consultant understands the work you want done.
 - A statement about the methods the consultant proposes to use for the work.
 - A work plan. This is an itemized list of the tasks the consultant will do.
 - A management plan. This is a description of the consultant's plan for managing the work including the names and job descriptions



of everyone who will work for the consultant.

- Individual qualifications and experience for each person who will work for the consultant.
- Any other factors that might influence your decision, such as whether the consultant has an office in the region, is interested in hiring local workers, qualifies for a Native preference, etc.
- A cost proposal. This can be a flat-fee bid or a time estimate and rate statement depending on how you want to make the contract.

Invite Responses from Interested Consultants

Once you have written your SOQ or RFP, you have to get consultants to respond to it. Place a notice in the legal section of several newspapers in your region or, preferably, throughout the state. If the work you are contracting is particularly specialized, there may not be many consultants in Alaska that can do it, so you may also want to advertise in publications with nationwide distribution or on the Web. Ask other communities about professional consultants who have done good work for them and send those companies your document. Be sure to set the deadline for responses at least several weeks after you first issue the SOQ or RFP, so that consultants will have plenty of time to hear about your job and prepare good proposals.

Select a Professional Services Contractor

A few community members who know something about the professional services you are seeking should work with you and your project manager to select your professional consultants. Be sure that these community members do not have any conflicts of interest, such as being related to a consultant who has submitted a response. Whenever possible, select consultants by committee, so that no one person can be blamed if there are problems with the contract or the consultant.

If there are many responses, your first task is to reduce the list to the best three to five

choices. You can usually eliminate some proposals because they are incomplete or the consultant is completely lacking in a necessary skill or experience. When you have your finalists, use the evaluation factors and scoring you listed in your RFP (see sample evaluation worksheet). Each person involved in selecting a consultant should work independently to evaluate the proposals. Then you meet to review the scores together and discuss the strengths and weaknesses of each proposal.

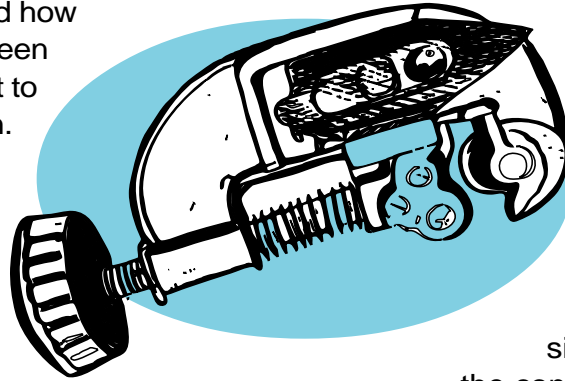
If one consultant stands out clearly as the best choice, then your selection process is complete. You can start negotiating a contract. However, if two or more consultants seem more or less

Contract Evaluation Form

| Name of Project: _____ | | | | |
|---------------------------------|------------------------------|--------------------|--------------------|--------------------|
| Date of Evaluation: _____ | | | | |
| Evaluation Factor | Total Possible Points | Proposal #1 | Proposal #2 | Proposal #3 |
| Name of Consultant: | | Rivera | Jones | Jim |
| Lowest Cost | 25 | 24 | 22 | 15 |
| Most Experience | 25 | 15 | 18 | 20 |
| Best Work Plan | 25 | 12 | 20 | 20 |
| Best Management Plan | 25 | 22 | 20 | 25 |
| Alaska Bidder Preference | 10 | 10 | 0 | 0 |
| Professional Reference | 15 | 10 | 8 | 15 |
| Total Evaluation Points: | 125 | 94 | 90 | 98 |

In this sample, Proposal #3 has the most points and gets the contract.

equal, you can ask them for more information. For example, you could ask each consultant to answer the same set of questions, either in writing or by phone. Depending on how complicated your project is and how uncertain the differences between consultants are, you may want to interview the finalists in person. If you do this, ask each consultant the same questions and don't be too influenced by fancy presentations. After the interviews, if you still can't decide on one consultant, you can reject all the responses. Then you have to start all over with a new RFP.



the contract. Do not sign the contract until you and your consultant understand and agree to all the terms in it.

If you can't agree or if the consultant doesn't want to commit to the work or management plan in his or her proposal, break off negotiations with this person and contact your second choice. When you have signed a contract, notify all the consultants who submitted proposals, in writing, to tell them who got the contract.

Negotiate a Professional Services Contract

Once you have chosen a consultant, it's time to negotiate the contract. In this process, you and the consultant work together to define the exact terms of the work plan, including schedule, personnel, price, and method of payment. You can incorporate the consultant's proposal into the contract, but don't just make the proposal the contract. Most consultants write proposals to favor their positions rather than the needs of your community.

Whenever possible, negotiate a contract in person. Make sure your consultant understands your objectives and concerns and discuss any problems you foresee. Meet more than once, so that you and the consultant can think about your tentative agreements before you commit to them. If there is any uncertainty about the terms of the contract, continue to negotiate until both sides agree to the meaning of what is written in

Construction Contracts

Construction contracts are somewhat different from professional services contracts. They usually include many tasks and a lot of materials, and they produce a physical product, such as a building or part of a building. Also, the price of a construction contract is usually either a set amount or directly related to the contractor's actual costs, as opposed to a consultant's time billed at an hourly or daily rate. There are five steps in making a construction contract:

1. Identify relevant regulations.
2. Prepare bid documents.
3. Invite bids.
4. Select a construction contractor.
5. Negotiate a construction contract.

Identify Relevant Regulations

There are many federal and state laws regulating construction contracts. Your contract must comply with all those that apply to your type of project. Work with your lawyer to make sure you know what regulations your contractor must follow, so you can include these requirements in your contract. Common construction contract regulations cover the following areas:

- Permits and licenses.
- Insurance.
- Worker sanitation, health, and safety.
- Public convenience and safety, including providing barricades, warning signs, and hazard markings.
- Protection and restoration of property.
- Environmental protection.
- Protection of archaeological and historical findings.
- Equal employment opportunities.

If you are receiving federal funds for your project, your construction contractor and subcontractors must comply with additional federal regulations. Some federal funds come through state agencies, so check with your funding source to find out if any of your project money is from federal funds. If it is, work with your lawyer to find out which additional federal regulations apply to your project. These may include regulations in the following areas:

- Non-segregated facilities.

- Minimum wage scales.
- Payroll statements.

If you are receiving funds for your project from the State of Alaska, you must comply with additional state laws, many of which are in Titles 35 and 36 of the Alaska Statutes (see Appendix 3 for a partial list of these statutes). These laws include regulations in the following areas:

- Alaskan business and employee preferences.
- Wage scales.
- Labor statistics reporting.
- Accessibility.
- Contractor's bonds.

When you get your funding, the funding agencies usually send you information about relevant laws and regulations. They also often request the right to review your construction contracts before you sign them. Your lawyer can help you identify and understand all the regulations, but it is your responsibility to make sure that your construction contracts require compliance with them.

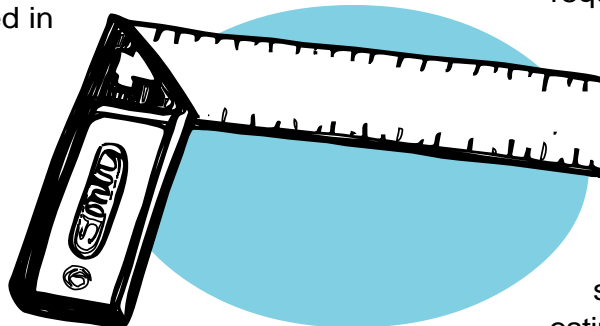
“Once you know what regulations apply to your project, you can prepare a bid document.”

Prepare Bid Documents

Once you know what regulations apply to your project, you can prepare a bid document. This should contain as many details of

your project as you have developed so far. Here is a checklist of what you need to include in any bid document:

- A description of the proposed project and site.
- When the builder must start and complete the work.
- The project design and drawings, approved by your engineer and the State Fire Marshal, showing as much detail as possible. These usually become a part of a fixed-price, cost-plus, or guaranteed-maximum-price contract.
- Specifications for doing the construction work including standards for materials and testing procedures.
- Your management plan for the project including how you will pay the contractor and how you will inspect the work.
- Any special requirements or limitations you have, such as hiring local workers or limits on your funding.
- Your engineer's estimate of the cost for labor and materials. You include this for the builder's reference only; it does not commit you to pay any specific amount.
- Project objectives, such as using local materials or increasing accessibility, listed in order of importance. Include explanations of why these objectives are important.
- A detailed description of what you want each builder to include in his or her



bid and in what format. This makes it easier to compare bids.

- The factors by which you will evaluate each bid and the process by which you will select the winning bid including the place, date, and time you will open the bids.
- Any insurance or bonding requirements the builder must satisfy.
- Description of the process by which a bidder may withdraw or change a bid after he or she has submitted it and before you open the bids.
- The dollar amount of the bid guarantee you require. A bid guarantee is a sum of money a builder deposits with you when he or she submits a bid. It guarantees that the builder will not withdraw his or her bid before a certain date and will sign a contract with you if you select his or her bid by a certain date.
- A notice of your limitations in the bidding process. For example, you are not usually liable for the builder's cost of preparing a bid, and you are not obliged to accept any of the bids you receive.

In addition to the elements common to all bid documents, different contracting methods require the bid document to include special elements (see Chapter 5 for information on contracting methods). For example, a bid document for a fixed-price contract needs to include completed construction drawings and specifications and detailed cost estimates. A bid document for a cost-plus contract needs to include the limitations and incentives relating to the

contractor's fee. The document for a design-build or turnkey contract will leave out the project design and specifications and will ask for more detail about the builder's qualifications and experience. It will also ask for a design proposal.

Unless you have experience with preparing bid documents, get technical and legal help. No bid document should go out until a lawyer has reviewed it. Once you have issued a bid document, you must notify everyone who has a copy of it if you change any part of it. So before you issue it, do whatever you can to make sure that the document isn't going to need any changes.

Invite Bids

Once you have prepared your bid document, invite bids from builders. Usually, you do this by placing an Invitation to Bid in the legal section of newspapers in your region or throughout the state. The Invitation to Bid is an official notice containing a description of the proposed work and stating the time and place for submitting bids. If you have local builders qualified to bid on the project, you may also put notices in your local post office and stores. You may want to contact communities that have successfully completed similar projects and get the names of the builders they used. You may then contact these builders directly and, invite them to bid on your project.

If your project is complicated, you might want to hold a pre-bid conference where you explain the details of your project and your bidding process to interested builders. If you make any changes to your bid document after you issue it, you must notify everyone who has received a bid document by certified mail. So keep an accurate list of the names and mailing addresses of all interested builders.

Select a Construction Contractor

Open all bids you have received by the deadline in public at the time and place you specified in the bid document. Anyone who wants to be present should be allowed to attend. If you receive a bid after the deadline or if a builder withdraws his or her bid, return it unopened.

You need to evaluate each bid according to the most important factors for that type of contract. For example, you evaluate fixed-price contract bids on the basis of the total

project cost, and you evaluate cost-plus contract bids on the basis of the contractor's qualifications and proposed fee. In both cases, examine the past record and references of the bidders, particularly as they relate to similar projects. Also check the personal qualifications of the specific persons named in the bids. Then select the bid that offers the lowest price from a qualified builder.

“You need to evaluate each bid according to the most important factors for that type of contract.”

When you evaluate design-build, turnkey, and construction management contract bids, the builder's qualifications and references are the most important factors, as they are with professional services contracts. You also evaluate specific factors you identified in the bid document, such as a local hire plan or construction schedule. Usually, lowest price is not the most important factor in these types of contracts, but make sure the cost estimates in the bids are within your budget.

Negotiate a Construction Contract

You negotiate a construction contract in much the same way as a professional services contract. The contractor has offered a work plan, schedule, and price in the bid. Your job is to add terms that help you meet your project objectives. Most important, make sure you include terms in your contract that make it easy to manage (see Chapter 7 for information on contract management). These include:

- A detailed description of the work the contractor will do. You can expect your contractor to do only those tasks that you specify clearly in your contract.
- A specific schedule for inspections, progress reports, and payments including details of what the contractor must do to get each payment.
- Detailed procedures for changing or adding project tasks and for inspecting the work.

“If one consultant stands out clearly as the best choice, then your selection process is complete.”

- A detailed job description for each of the main people working on the project.
- All documents that you refer to in the contract, such as maps, specifications, or parts lists.
- A list of insurance and bonding requirements. These protect you from having to pay for work the contractor doesn't do.
- A detailed explanation of the lines of authority and responsibility in the project team. This tells who can give directions to whom and whose approval is necessary for different parts of the project. Make sure that whoever has authority over something also has responsibility for it. If these two elements are not connected, your project team may fall apart.

As with professional services contracts, negotiate in person whenever possible. Make sure the contractor understands your

objectives and concerns and discuss any problems you foresee. Meet more than once, so that you and the contractor can think about your tentative agreements before you commit to them. Do not sign the contract until you and the contractor understand and agree to all the terms in it.

If you cannot agree, break off negotiations with this company and contact your second choice. Be prepared to reject any contractor who turns out to be difficult to

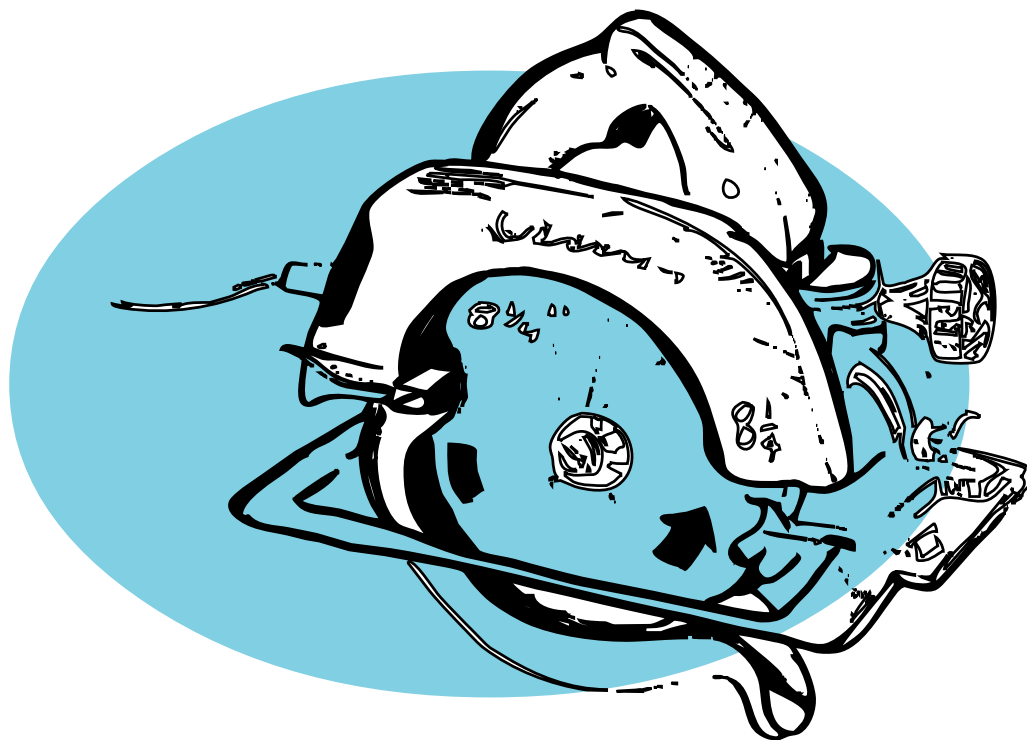
negotiate with, or who resists committing to the terms he offered in the bid. If you can't negotiate a contract with someone, you certainly won't be able to work with him well enough to construct a building. When you have signed a contract, notify all the bidders who responded in writing to tell them who got the contract.

As with all contracts, have your lawyer approve your construction contract before you sign. Also, make sure before you sign the contract that your contractor can satisfy all insurance and bonding requirements. If you are using funds from a state agency for your

project, your funding administrator may want to approve all your construction contracts before you sign them.

Conclusion

Selecting contractors and negotiating contracts can be frustrating. You may at times think that it's taking much too long, and that you should just be getting on with the project. But it's important to take the time necessary to choose the best contractors you can find, and to make strong contracts with them that both of you will be happy to fulfill. Once you have done this, you are ready to start building your project.



CHAPTER SEVEN

WHEN THE PLANNING IS DONE

Get Started on Construction

Hold a Pre-Construction Meeting

Contract Management

Prepare for When the Project is Completed

Get Started on Construction

When you have and made an overall plan; chosen and acquired a site; designed the site and the building; gotten your permits; and made your contracts, you are ready to begin construction. In some cases, such as with a cost-plus construction contract, you can begin to build before you have completed your design. But always complete as much of the planning process as possible before you begin to build. A wall is much easier to move on paper than it is after you have built it in concrete or wood.

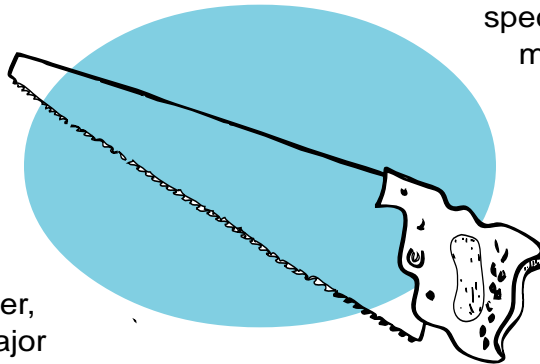
Hold a Pre-Construction Meeting

The first thing you have to do after you sign your construction contract is to hold a *pre-construction* meeting, also called a *post-award* or *project mobilization* meeting. All the main people on your project team need to attend this meeting including your community advisors and helpers, your project manager, your contractor, and your major

subcontractors and consultants. The purpose of this meeting is to make sure that everyone understands what needs to be done, who needs to do it, and what rights and obligations each member of the team has.

This is also a good time to develop a community information process. This is a system to keep community members informed about the progress of the project. You need to decide who will prepare and present community information reports and how often and where they will be presented.

If your pre-construction meeting is successful, everyone will leave it feeling like part of a team and ready to begin construction. Once you are sure that your contractor understands the work and is ready to start, give him or her a written *Notice to Proceed* specifying when the contractor may begin construction.



Contract Management

Once building activity starts, you begin contract management. This is a set of

procedures for scheduling and inspecting the work, keeping records, writing progress reports, making payments, etc. Your project manager, with help from your community building committee, usually takes on these tasks. To make your contract management easier, follow these guidelines:

- Write a contract that is easy to manage.
- Develop a contract management plan.
- Inspect the work often.
- Develop organizational charts and schedules.
- Keep records of all actions and decisions.
- Require compliance with all contract terms.
- Perform a final audit.
- Close out the project.

Write a Contract That Is Easy to Manage

Most contract management problems come from poorly written contracts so start by writing a construction contract that is easy to manage. It should include a description of the work the contractor will do; a schedule for inspections, progress reports, and payments; procedures for adding tasks and inspecting the work; and an explanation of the lines of authority and responsibility in the project team (see Chapter 6 for more information about contracts that are easy to manage).

“You need to make inspection a central part of your contract management”

Develop a Contract Management Plan

You need to develop a contract management plan before you sign your construction contract, because it should be included in the contract. A management plan should contain specific job assignments for your project manager, your community advisors, and professional consultants such as inspectors or auditors. It should also contain detailed descriptions of the procedures for each management task.

Inspect the Work Often

You need to make inspection a central part of your contract management. If you don't inspect the construction work carefully and often, your project may end up costing much more than you anticipate. It might not even get finished at all.

Your project inspector must have a good understanding of construction techniques and materials. If your project manager has this skill, he or she can act as the inspector. If not, hire a professional on-site inspector. This person should do the following:

- Inspect the work and materials, and write a brief inspection report every day/week.
- Write weekly and monthly inspection summaries.
- Inspect each part of the work that relates to a permit for compliance with the permit requirements.
- Write an inspection report of each task as it's completed. You will use these reports to determine when to make each payment to your contractor.

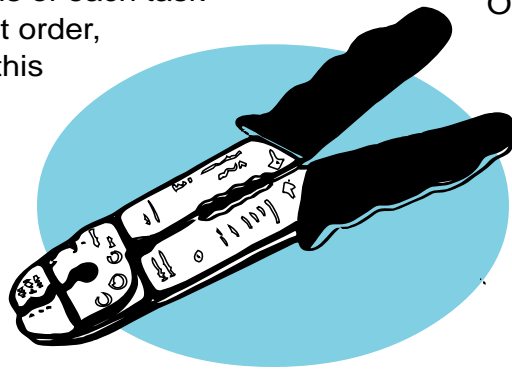
In addition to written reports, have your inspector take photographs of important parts of the building. Also, have your inspector check all materials as they arrive. Don't pay for anything until you are sure you have received what you ordered in good condition.

When your inspector finds a problem with any part of the work, make sure there is a written report of it and let your contractor know immediately that the work is not satisfactory. Notify the contractor that you will not pay him for any part of the work until your inspector approves it and don't give your contractor the final payment until the finished building is inspected and approved.

Develop Organizational Charts and Schedules

As soon as you sign your construction contract, make a detailed organization chart of all the main people on your project team with a summary of each person's responsibilities. Keep this chart up-to-date, making changes as people and job descriptions change.

Your contractor makes the initial construction schedule when preparing the bid, and this becomes part of the construction contract. After you sign the contract, work with the contractor to fill in the details of each task that has to be done, in what order, and what deadlines. Keep this schedule up-to-date, making changes as circumstances require. If you do this, you can spot a lot of problems while they are still easy to solve. Be sure to include specific dates for ordering



materials, keeping in mind how long it takes to get deliveries from various places and what factors, such as break-up or freeze-up, might cause delays.

Keep Records of All Actions and Decisions

Keeping records of what actually happens during the course of a project is not always easy, but it's important. It can help you if a problem or disagreement with a contractor arises. It can also help make future projects easier to do. Keep the following records:

- Written communications between you and your contractor.
- Written communications between members of your community project committees.
- Lists of construction materials you purchase and use.
- Descriptions of construction methods you use.
- Inspection reports and summaries.
- Progress reports, requests for payment, and payments.
- Changes and additions to contracts.

Require Compliance with All Contract Terms

One of the biggest mistakes you can make in contract management is to let your contractor not comply with some of the terms of the construction contract. All the care you take to make a strong contract is for nothing if you don't require the contractor to comply with all the terms. If you relax even one contract requirement, your

contractor may expect you to relax them all, and it will be difficult or impossible to get him to fulfill the contract.

Perform a Final Project Audit

After your project is completed, inspected, and approved, do a project audit to make sure that all the financial transactions during the project were made correctly. If your community does an annual community audit, you can include this project audit in that, or you can hire an auditor to do a special audit on just the project. Your funding source may have specific audit requirements. Check carefully when you first receive your funds, to be sure that you keep whatever records you will need at the end of the project for the audit.

Close Out the Project

When your project is finished, you will need to formally close it out. Work with your construction contractor to develop a punch list of items to check when the project is complete. Also, make a written assessment of all parts of the project and the project team. A candid report of problems that occurred during the project can help make future projects easier and more successful.

Be sure to get from your contractor a copy of “as-built” plans and specifications for your building, showing details of exactly how it is constructed, mechanical systems manuals, and warranty information. It is important to keep these in a safe place. You will use them when you have to do repairs and maintenance on the building.

A contractor’s warranty is usually in effect for at least a year, so if you have a problem with your facility after construction is complete, you may be able to get your contractor to fix it.

You should formally notify your funding agency that you have completed your project. They may require you to submit specific reports to close out your grant.

Prepare for When the Project is Completed

As you start construction of your building, review what you have planned to do with it when it’s finished. Think about what major pieces of equipment you will want to have in the finished building, such as a stove, a piano, or a canning machine. Be sure to order these items in time for them to arrive before the building is finished so that you can start using your building as soon as it’s ready.

If the equipment you buy will need special skills for its operation or maintenance, arrange for training for someone in your community. There’s nothing more depressing than a great piece of equipment that no one knows how to use.

And don’t forget to plan for a celebration when your project is finished. You have all worked hard. When your building is completed, it will be time to share the enjoyment of using it with everyone in your community.

“You should formally notify your funding agency that you have completed your project.”

APPENDICES

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APPENDIX ONE

Force Accounting

APPENDIX ONE

FORCE ACCOUNTING

- ▶ What is Force Accounting?
- ▶ Who Can Use Force Accounting?
- ▶ Elements of Force Accounting

What is Force Accounting?

Force accounting is a popular term for a construction contracting method in which you, as a community, build your project yourselves. In a force accounting project, most of your workers live in your community and work directly for you as your employees. You hire and fire workers, set and pay wages, and provide insurance and benefits. You hire outside workers for parts of the project that local workers cannot do. These might include engineers, project managers, surveyors, geologists, inspectors, or auditors (see Chapter 6 for information on professional service contracts). You may often hire specialized or skilled workers, such as electrical, plumbing, or other subcontractors.

When you use force accounting, you have a lot of control over how your project is built and what the finished building is like. You provide jobs for local workers, and you usually acquire construction equipment and tools for your community. However, you also do a lot more work than if you hire a contractor. You must do all the project administration including scheduling, budgeting, accounting, and quality control. You must hire or contract with all your workers, paying wages and employment taxes and providing insurance and benefits. You must purchase all your materials and equipment and provide for the ongoing maintenance of this equipment. You must maintain good payroll and accounting systems.

All this work can be a burden on your community. Before you commit to using force accounting, read through this appendix carefully. In particular, look closely at the elements of force accounting and consider honestly whether or not you are ready to take on all these tasks.

Who Can Use Force Accounting?

Many communities can use force accounting, but not all communities will benefit from it. You may want to use force accounting thinking it will bring jobs, money, skills, and equipment into your community, and it may. But if you don't



have enough resources to do all the different jobs involved, you may put too much strain on your community and end up with no building and a bad grant management record, which will make it harder for you to get grants in the future.

The resources you need in your community for successful force accounting include construction experience, administrative skills, good lines of communication, and enough workers. The most important resource you need, however, is a clear commitment from your community to see the project through to the end. There may be conflicts about whether or not to use force accounting or about specific issues, such as wage scales or hiring practices. If there are, you need to resolve them before you begin to build. This may take some time so if you are in a hurry to complete your project, force accounting may not be for you.

Look carefully at your community goals and project objectives to see if force accounting is the best contracting method for you. For example, if one of your objectives is to hire local workers, force accounting may be the best choice. But if you also need to build your project quickly, hiring a contractor who agrees to use some local workers may be a better choice. Also look carefully at the management resources you have locally. It takes a lot of management effort to use force accounting. If you have only a few experienced managers in your community, they may be busy maintaining existing services and not available for your project.



The Alaska Department of Environmental Conservation's Village Safe Water Program (VSW) uses a modified version of Force Accounting. Contact information for this agency is in appendix 5. In this style of force accounting, professionals from outside the community do the accounting and bookkeeping for the project with VSW paying for these services. The on-site project superintendent is also an outside professional approved by both VSW and the community. This approach gives you the advantages of force accounting, such as the opportunity to hire local workers, along with some professional help with finances and quality-control to increase your chances of ending up with a finished building you can use.

The State of Alaska allows only local governments, political subdivisions, and some non-profit groups to use force accounting on projects built with state funds. If you are using state or federal funds for your project, check with your funding source to make sure you are allowed to use force accounting.

Elements of Force Accounting

Force accounting is complicated with many different kinds of systems to supervise and tasks to do at the same time. The most important elements of force accounting are:

- ▶ Financing and scheduling.
- ▶ The project team.
- ▶ Professional and technical expertise.
- ▶ Project inspection.
- ▶ The work force.
- ▶ Work place organization.
- ▶ Training for workers and managers.
- ▶ Wages.
- ▶ Communication.
- ▶ Tools and equipment.
- ▶ Insurance.
- ▶ Safety and health regulations.
- ▶ Permitting and legal requirements.



Financing and Scheduling

If you are considering using force accounting on a capital project, let your funding source know this when you apply for funding. Unless your funding source provides financial services, as with a VSW project, show them how you plan to account for the money you get and how you plan to control your project's schedule and costs.

Think about what kind of schedule you want to set for your project. A force accounting project almost always takes longer to complete than a similar project that is contracted. Local workers often need a training period before they can be as productive as contracted labor, and during the training period, they are more likely to make mistakes that take time to correct. Also, local workers may not be able to work as many hours each day or as many days each construction season.

Force accounting can cost less than other methods of contracting because there isn't a private contractor trying to make a profit on the job. It can also cost more because there are so many ways for costs to rise. There are often more workers on a force accounting project, and they often work more total hours, but the hourly wages you pay local workers are usually lower so you may actually spend less money on wages. You may have to buy or lease expensive construction equipment for a force accounting project because you don't have a contractor to supply the equipment. You might be able to use more workers with simpler tools to do the same work or rent out the equipment when you're not using it. You will have to pay for administrative work that a contractor would do, but if you keep close track of what people do and where the money goes, you can make sure that you pay for only necessary expenses. The keys to controlling the costs of a force accounting project are good project management and careful bookkeeping.

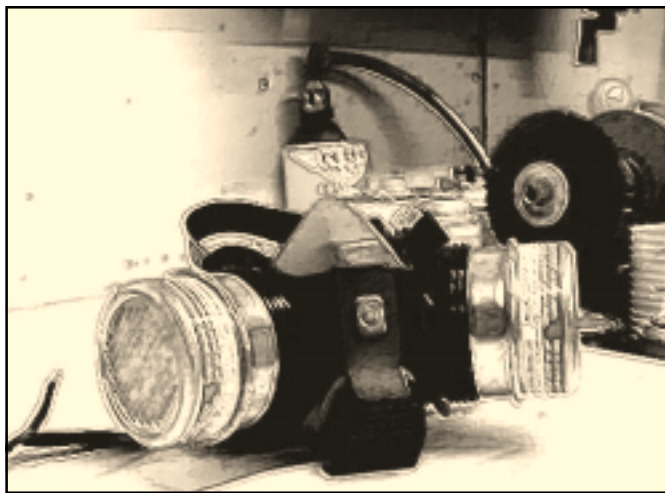
The Project Team

When you plan a force accounting project, you must start by putting together your project team. This group of people works together to build your project taking responsibility for all planning tasks and the actual construction. The team should include professional consultants, such as an engineer and a surveyor; construction experts, such as carpenters and electricians; community decision-makers, such as the city manager and planning commission; and community leaders. Your project team works mostly as a consulting group making major decisions and guiding the direction of the project. However, there are a few people on this team who do most of the daily management of the project. These are:

- ▶ The project manager.
- ▶ The technical coordinator or engineer.
- ▶ The project administrator.
- ▶ The project foreman.

The **PROJECT MANAGER** is the driving force in your construction project. He or she has direct responsibility for the day-to-day work of the project including scheduling, hiring, assigning work, and reporting to the rest of the project team. The project manager needs to be able to work with many kinds of people including construction workers, community leaders, government agents, technical consultants, and materials suppliers. You might ask your city manager to do this job, or you might hire a consultant. If your engineer has good management skills, you might have one person do both jobs.

The **ENGINEER OR TECHNICAL COORDINATOR** is responsible for the technical aspects of the project, such as surveying your site, drawing or approving your design, testing your materials, and specifying construction procedures. He or she must participate in your project planning from the beginning and stay with the project team through construction. If your engineer works well with all kinds of people, her or she can also act as your project manager.



The **PROJECT MANAGER** manages the financial, administrative, and personnel functions of your project. He or she is responsible for monitoring contracts, arranging for the necessary permits, complying with funding requirements, managing payroll and taxes, and keeping all the project's records. The project administrator usually has help from a bookkeeper and sometimes other administrative staff as well. If you are using VSW-style force accounting, the project administrator works with the professional accountant and bookkeeper supplied by your funding agency, who do most of the actual financial management.

The **PROJECT SUPERINTENDENT** is the lead crew person for your project at the construction site every day. He or she is an important link between the workers, the professional consultants, and the administrators. The project superintendent is responsible for developing the skills, work habits, and general attitude of your workers. He or she must be able to both supervise and work with local people, which can be difficult when it involves family members, neighbors, and friends. It is critical that the project superintendent have experience with capital projects and using local workers. In most cases, a professional superintendent from outside the community is the best person for this job

Professional and Technical Expertise

In almost every project, there are tasks that require skills not available in your community. These might include surveying the site, designing the site and building, specifying materials, estimating time and costs, inspecting the work, or training workers. They might also include specialized construction tasks, such as electrical, plumbing, drywall installation, or finish carpentry.

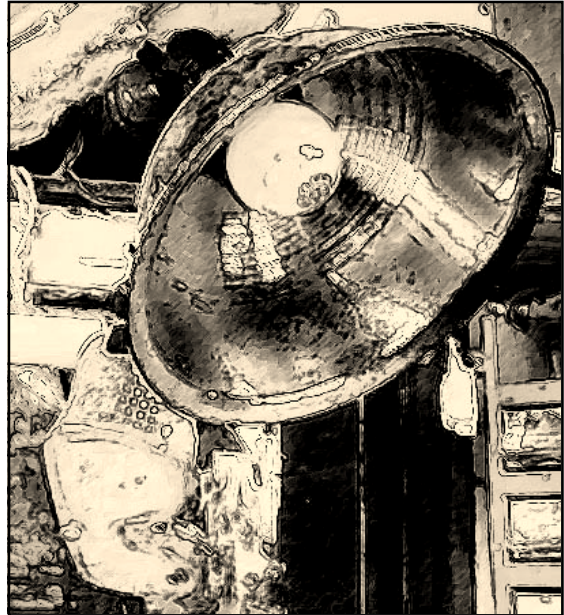
When you subcontract with skilled workers for parts of your project, make sure the people you hire understand force accounting and want to work closely with you to achieve your project objectives.

Be sure to include in your bid documents details about any project objectives that may affect your subcontractors' work. These might include specific design features (such as accessibility), using community advisors on the project, hiring and training local workers, or using unskilled local labor as helpers (see Chapter 6 for more information on making contracts).

When you bring in subcontractors, you cannot require them to hire local workers, but you can give their bids extra evaluation points if they do. You can also offer to pay them more if they do.

Project Inspection

Project inspection on a force accounting project is at least as important as on a contracted project, if not more so. With other types of construction contracting, there is a time after the building is finished called a warranty period. During this time, you can notify the contractor of any problems with the building, and if they were caused by the construction, the contractor has to fix them. When you use force accounting, there is no warranty period. If there is a problem with the finished building, you have to fix it so make sure your inspector carefully checks all parts of the construction. In addition to making sure that your project is being built correctly, the project inspector can also quickly see any problems with the skills or safety of your workers.





Only an objective inspector, who has nothing to gain or lose from finding problems, can do this job well. If your project engineer can be objective enough, he or she can act as your inspector, but it is always safest to hire a professional inspector from outside your community.

The Work Force

One of the benefits of a force accounting project is hiring a lot of local workers. When you are planning your project, think about how many people with the skills you need are available in your community to work on the project and how many workers you need. If you think you will need more workers than you have available locally, you can bring in additional workers from outside the community. This may actually help your project if you bring in workers with skills you don't already have in your community. But make sure local residents know that you are not giving away jobs that they could be doing.

Work Place Organization

Many people who live in small communities are eager to work on construction project to learn new skills and increase their income, but they may not have much experience working regular hours for someone else. You can organize your project work place to make it easier for them to learn how to do this kind of work. To help your workers be successful in their jobs:

- ▶ Establish clear work rules, explain them carefully to each new worker, and apply them equally to all workers. Be sure to include required work hours, how workers are selected, and rules for firing and re-hiring workers when they break the rules.
- ▶ Establish incentive programs to reward good work habits, such as bonuses for being on time every day or not missing any work days for a month. The terms of the incentive program must be specific, and you must be sure to apply them equally to all workers.
- ▶ Establish flexible wage and benefit programs. For example, you might be able to offer workers a choice between weekly and monthly pay periods or a choice between starting their work day early and ending it late. Make sure you really can offer these choices before you tell your workers about them and don't offer choices that are too difficult for your administrators to do.
- ▶ Organize your workers into crews, each with a specific leader. You can either give each person on a crew a specific job, or you can assign a group of tasks to each crew as a whole, with members taking turns working on the different tasks. Whatever method you choose, explain it carefully to your workers. Don't rank individual jobs within the crew in terms of importance. Except for the crew leader, all jobs are equally important.

- ▶ Hold regular workers' meetings as often as possible, at least once a week. All workers, supervisors, and the project superintendent should attend these meetings. Encourage everyone to share ideas, discuss problems, and make suggestions at them.
- ▶ Hold regular supervisors' meetings where your supervisors and managers can freely discuss management problems and help each other find solutions.

Your local social structure and culture may not fit well with the demands of typical construction schedules. Since you control the schedule in a force accounting project, you can modify it to permit time off for workers to participate in seasonal subsistence and community activities. However, you usually have to choose between giving your workers a flexible schedule and getting your project finished quickly. If you do want to permit time off for cultural activities, establish specific procedures for workers who want to take it and apply it equally to as many workers as you can. You may not be able to offer this flexibility to your supervisors and managers, because they have more responsibility for the success of your project and may need to be at work at certain times, no matter what else is happening.

Training for Workers and Managers

Worker training is often necessary for your force accounting project to be successful, but it can be more of a benefit than a problem. Training may make your project take longer, but the skills you introduce will help your community for years to come. Also, because you control wages and working conditions, you can set a different wage scale for on-the-job training (OJT) to minimize the cost of the training. If you want to offer training as part of your project, you need to have a training facilitator on your project team, who can organize training programs and help individual workers with training problems. You may be able to get funding or assistance for OJT from the Alaska Department of Labor and Workforce Development (ADOL&WD) through their Alaska Job Center Network. Contact information for this agency is in Appendix 5.



When you plan your training, consider developing programs in:

- ▶ Construction skills training.
- ▶ Management training.
- ▶ Work habits training.

Construction skills training is the type of training most people think about when you talk about OJT. It includes training in using power tools and equipment and basic construction terms and methods. Your workers can immediately apply the skills they learn directly to their jobs.

Management training is training for your project managers and supervisors to learn how to work effectively in your community. If your managers come from outside your community, they need orientation training about your history and culture and about your community goals and project objectives. They may also need training to help them communicate well with your local workers.



Work standards training includes orientation training for all new workers and work ethics training for workers who have not had much experience with working regular hours for someone else. Your orientation training should clearly explain the structure of your project team, and the worker rules and programs you have established (see “Work Place Organization” above). It might also include communications and problem-solving training, especially if some of your workers are local and some are from outside your community. Your work ethics training needs to explain to inexperienced workers the importance of good work habits, such as coming to work on time every work day, and being ready to work when they get to work. Investing in this kind of training saves you money in the end, and your workers will be better able to get work on future projects.

Wages

When you use force accounting on a project, you decide within certain limits what hourly wages to pay workers you employ directly. You can choose whether or not to set wages to be similar to other wages in your community. You can choose whether to set one rate for all workers or to set a higher rate for more skilled workers, a middle rate for general workers, and a lower rate for workers in training. You can set aside money to pay bonuses to workers who keep the rules or perform especially well.

Setting wages is one of the hardest parts of force accounting. When you do it, think about your community goals and project objectives and about the limits of your budget. If you can, consult with other communities that have successfully used force accounting to find out how they managed wages. Talk honestly about wages with the local people you will be hiring before you decide whether or not to use force accounting on your project. You may find out that the wages people want to get will make your project too expensive to build.

You can't set wages for workers on your project who work for a subcontractor. Their wages are set by ADOL&WD. You may want to consider their wage rates when you set wages for local employees who do similar work, but this can be risky. If you pay the same wages to less skilled workers who work slowly and to more skilled workers who work quickly, you may run out of money before you finish your project.

Communication

Communication is important on any project, but it is especially important on a force accounting project because so many different people and organizations have to work together. The major lines of communication are between your project team and;

- ▶ Your community.
- ▶ Your workers.
- ▶ Your funding sources.

Good communication with your community is essential. Community support is necessary for a force accounting project to be a success. The ideas and practices of force accounting may not be familiar to most people, however, and rumors and hearsay can be very destructive. The best protection against this is to keep everyone informed about the project and involved in major decisions. Hold frequent community informational meetings and make sure that you announce the time and place of all committee meetings where major decisions will be made.

You need to have good communication between your managers and workers. You need to establish clear rules about wages, qualifications, work rules, and acceptable habits, and you need to be sure that everyone knows about them. Also, you can only solve problems that you know about, so make sure that workers feel able to speak up about problems with co-workers, supervisors, or the work itself (see “Work Place Organization” above).

You also need to have good communication with your funding sources. They may be able to provide technical and administrative help, but they won’t offer it if they don’t know you need it. If you keep them informed about your progress and problems, they can help you anticipate what types of assistance you will need. Also, they will be more likely to give you money for future projects if you make an effort now to keep them informed and show them that you are spending their money responsibly.

Tools and Equipment

When you use force accounting, you must provide the tools and equipment you need to build your project. You can either buy or lease the equipment you need, or you can contract out the part of the project that requires heavy equipment. When you decide how to acquire the equipment you need, think about what equipment you need and for how long and about your overall project budget.

If you can afford to buy equipment, it can be a benefit to your community because you will have the equipment to use on future projects. One way to purchase expensive equipment is to distribute the cost of it over several construction project budgets. In addition to affording the cost of purchasing the equipment, be sure you can afford to hire and train someone to use and maintain it. There is nothing more frustrating than a piece of expensive equipment you can’t use because it has broken down, and no one knows how to fix it.

When you buy heavy construction equipment, find out the best type, size, and brand for the work you want to do. When you talk to equipment dealers, let them know about any special tasks or working conditions that might affect your choice. For example, if you need to use this equipment in the winter, it will have to operate in very cold or wet weather. Get



recommendations of brands and dealers from other communities that have purchased heavy equipment recently. Consider buying used equipment that might be available from a neighboring community. Always get bids from several different dealers before you commit to buying anything.

If you can't afford to buy the equipment you need, consider borrowing or renting it from a neighboring community. If you rent it, be prepared to use it as soon as you get it because it costs you money to have the equipment on your building site, even when you aren't using it.

Insurance

There are several types of insurance you are legally required have before you begin construction. These protect your workers, your funding agency, the public, and you. If you are using VSW-style force accounting, your funding agency will get insurance for you, though you will pay for it from your project funds. If you have to get insurance yourself get bids from several insurance companies before you buy any policies, to be sure you are getting the best insurance for the best price. The types of insurance you must have include:

- ▶ Worker's compensation insurance. This insurance is required by state law. It protects your workers in the event they are injured on the job.
- ▶ Vehicle liability insurance. This insurance is also required by state law. It protects you in the event that any vehicle you own damages anyone else's property or injures anyone.
- ▶ Public liability. This insurance protects you in the event anyone is injured on your job site.

You might also want to have the following types of insurance:

- ▶ Builder's risk insurance. This insurance will pay you if your project is damaged by fire, theft, or vandalism.
- ▶ Hazard insurance. This insurance protects you if your project is damaged by a natural disaster, such as a windstorm, flood, or earthquake.

Safety and Health Regulations

There are many state and federal laws protecting the health and safety of workers. When you do a force accounting project, you employ many workers and you must comply with all these laws. For particular types of projects, such as power, water, or fuel facilities, there are special laws protecting workers because there are special hazards. For all types of projects, there are strict laws about hazardous and toxic substances on a job site. These include a worker's right to know about substances on the job site that might be dangerous, a requirement that you give your workers information about safely handling hazardous substances, and a requirement that you hire specially trained and certified people when you need to work with or near asbestos.



The Division of Labor Standards and Safety at ADOL&WD has many resources to help you learn about and comply with state worker health and safety laws. The Occupational Safety and Health Administration at the US Department of Labor can help you learn about and comply with federal laws. Contact information for these agencies is in Appendix 5. Also, see AS 18.60.010 - 18.60.105.

Permitting and Other Legal Requirements

Keeping track of your permits, contracts, and other legal documents is complicated when you use force accounting. You may have to comply with many of the same legal requirements as a private construction contractor, plus the legal requirements of a local government making contracts with private contractors.

You definitely have to comply with all the permitting requirements for your project. If possible, assign one member of your project team to be responsible for all your permits. This makes it easier to get your permits on time so that your project is not delayed (see Chapter 4 for more information on permits).



In addition to permitting, there are many legal issues that can arise in the course of building your project. You may need to write, review, and sign contracts or other agreements; prepare and record deeds or leases; sue a company for damages if it fails to fulfill its commitments; or defend yourself against claims of damage or injury. You need to have a lawyer on your project team. If there isn't one living in your community, find a lawyer who is familiar with construction projects and with your area, and hire him or her as a consultant for the duration of your project. It is much better to have a lawyer on your team and not need legal services, than to be in a legal crisis and have no one to ask for help.

Conclusion

As you can see, force accounting is quite complicated. It has many advantages and many problems. It can be a good way to bring money and jobs into your community, but it isn't for everyone. Before you decide whether or not to use force accounting, carefully read chapter 5 and consider all your contracting options. If you decide to use force accounting, contact your funding source to make sure you are allowed to do so under the terms of your funding. You may also contact the Alaska Department of Community and Economic Development for more information. Contact information for this agency is in Appendix 5.

APPENDIX TWO

Sample Forms

APPENDIX TWO

SAMPLE FORM

Proposal Services Proposal Evaluation Worksheet (Chapter 6)

Name of Project: _____

Date of Evaluation: _____

| Evaluation Factor | Total Possible Points | Proposal #1 | Proposal #2 | Proposal #3 |
|-------------------|-----------------------|-------------|-------------|-------------|
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APPENDIX THREE

Selected Alaska Statutes

APPENDIX THREE

SELECTED ALASKA STATUTES

You may read the full text of all Alaska Statutes on the Web at www.legis.state.ak.us/FOLHOME.HTM (click on *Current Alaska Statutes*).

AS 18.60.010-105

Statutes related to worker health and safety (see Appendix 1).

Chapter 18.60. SAFETY

- Sec. 18.60.010. Legislative intent.
- Sec. 18.60.020. Regulations.
- Sec. 18.60.030. Duties of Department of Labor and Workforce Development.
- Sec. 18.60.040. Report.
- Sec. 18.60.055. Division of labor standards and safety.
- Sec. 18.60.057. Occupational Safety and Health Review Board.
- Sec. 18.60.058. Reporting of injuries and illnesses.
- Sec. 18.60.059. Legal counsel.
- Sec. 18.60.060. Cooperation by other state agencies.
- Sec. 18.60.065. Importation of toxic and hazardous substances.
- Sec. 18.60.066. Employee safety education programs.
- Sec. 18.60.067. Information provided on employee's request.
- Sec. 18.60.068. Posting of information in workplace.
- Sec. 18.60.070. Use of funds and contributions.
- Sec. 18.60.075. Safe employment.
- Sec. 18.60.077. Variance from a standard.
- Sec. 18.60.080. Contributions.
- Sec. 18.60.081. Temporary variance.
- Sec. 18.60.083. Right of entry and inspection.
- Sec. 18.60.085. Prohibition of unauthorized notice of inspection.
- Sec. 18.60.087. Employer and employee participation in inspections.
- Sec. 18.60.088. Employee requests for special inspection.
- Sec. 18.60.089. Prohibition against retribution.
- Sec. 18.60.091. Citations.
- Sec. 18.60.093. Enforcement procedures.
- Sec. 18.60.095. Penalties.
- Sec. 18.60.096. Imminent dangers.
- Sec. 18.60.097. Judicial review.
- Sec. 18.60.098. Employee compensation for appearances.
- Sec. 18.60.099. Confidentiality of trade secrets.
- Sec. 18.60.100. Nonabrogation of powers of Department of Health and Social Services.
- Sec. 18.60.105. Definitions.



AS 29.35.030

Statutes related to eminent domain (see Chapter 3).

Sec. 29.35.030. Eminent domain.

AS 35.10.015-35.15.110

Statutes related to construction contracts (see Chapter 6)

Sec. 35.10.015. Accessibility of public buildings and facilities.

Sec. 35.10.025. Compliance with local building codes.

Sec. 35.15.080. Local control of state public works projects.

Sec. 35.15.110. Title to site and completion of project.



AS 36.05.050 - 36.95

Statutes related to construction contracts (see Chapter 6).

Title 36. PUBLIC CONTRACTS

Chapter 36.05. Wages and Hours of Labor

Sec. 36.05.010. Wage rates on public construction.

Sec. 36.05.020. Basis for determining wage.

Sec. 36.05.040. Filing schedule of employees, wages paid, and other information.

Sec. 36.05.070. Wage rates in specifications and contracts for public works.

Sec. 36.05.080. Failure to pay agreed wages.

Sec. 36.10.007. State policy.

Sec. 36.15.010. Use of local forest products required in projects financed by public money.

Sec. 36.25.010. Bonds of contractors for public buildings or works.

Sec. 36.90.100. Contracts for architectural, engineering, or land surveying services.

Sec. 36.90.210. Required contractual terms.

Sec. 36.90.220. Optional contractual terms.

Chapter 36.95. General Provisions

Sec. 36.95.010. Definitions.

AS 40.17.030-035

Statutes related to recording site control documents (see Chapter 3).

Sec. 40.17.030. Formal requisites for recording.

Sec. 40.17.035. Recording criteria.

APPENDIX FOUR

Bibliography

APPENDIX FOUR

BIBLIOGRAPHY

Alaska Planning Commission Handbook. Available on the Web only at www.dced.state.ak.us/mra/AK_Planning/PCH/PCH_TOC.htm

Alaska Sanitation Planning Guide for Small Communities, 1999. Available from the Alaska Department of Community and Economic Development.

Economic Development Resource Guide, 1999. Available from the Alaska Department of Community and Economic Development or on the Web at www.dced.state.ak.us/mra/EDRG/EDRG.htm

Grant Recipient Construction Manual, 1995. Available through the Alaska Department of Community and Economic Development

Seven Generations: Addressing Village Environmental Issues for the Future Generations of Rural Alaska, 1999. Available from the Alaska Department of Environmental Conservation.

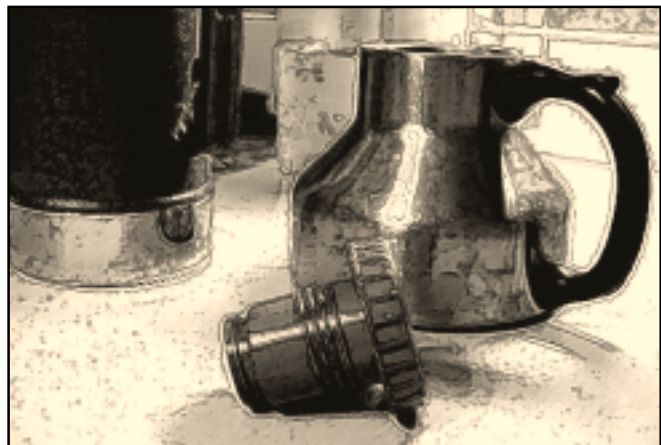
What is Site Control? Available on the Web only at www.dced.state.ak.us/mra/AK_Planning/Site/Site.htm

The following publications are out of print, but you may be able to find them in your local government office:

Alaska Local Government Encyclopedia, 3rd Edition, 1987.

Community Planning for ANCSA 14(c) Land Conveyances, 1983.

Model Financial Record Keeping System, 1994.



APPENDIX FIVE

Agency Contact Information

APPENDIX FIVE

AGENCY CONTACT INFORMATION

Alaska Coastal Management Program (ACMP)

If you live in one of Alaska's 35 coastal districts, this program can help you get your permits. Get a copy of their Coastal Project Questionnaire and instructions for filling it out from their Web site at www.alaskacoast.state.ak.us.

If you are not sure whether or not you are within a coastal district, look at the map at www.gov.state.ak.us/dgc/Projects/pmap.html.

Alaska Department of Community and Economic Development (ADCED)

Contact the Division of Community and Business Development at DCED for information, funding, and technical assistance for community planning, project planning, 14(c)(3) reconveyances, and force accounting. Contact the Alaska State Municipal Lands Trustee at DCED for information about the status of land within an unincorporated ANCSA village. They are on the Web at www.dced.state.ak.us

You may also contact them at:

Alaska Department of Community and Economic Development
Division of Community and Business Development
PO Box 110809
Juneau, Alaska 99811-0809
Phone: (907) 465-2017
Fax: (907) 465-3767

Alaska Department of Environmental Conservation (ADEC)

Village Safe Water Program

Contact this office for help with planning and constructing water, sewer, and solid waste projects. They are on the Web at www.state.ak.us/dec/dfco/fco_vsw.htm

Compliance Assistance Office

Contact this office for permit information. Call them toll-free from anywhere in Alaska at (800) 510-ADEC. If you're not sure what ADEC permits you need, you can fill out a questionnaire on the Web at www.state.ak.us/dec/dsps/dec_dsps.htm (click on Permit Questionnaire).

You may also contact ADEC at one of the following offices:

**Southcentral Alaska
Anchorage Office, ADEC**
555 Cordova
Anchorage, Alaska 99501
Phone: (907) 269-7500
Fax: (907) 269-7600
TDD: (907) 269-7511

Bethel Office, ADEC
PO Box 557
Bethel, Alaska 99559
Phone: (907) 543-3215
Fax: (907) 543-3216

Kenai Office, ADEC
43335 Kalifornsky Beach Road
Suite 11
Soldotna, Alaska 99669
Phone: (907) 262-5210
Fax: (907) 262-2294

Palmer Office, ADEC
500 South Alaska Street, Suite A
Palmer, Alaska 99645
Phone: (907) 745-3236
Fax: (907) 745-8125

Mat-Su Office, ADEC
PO Box 871064
Wasilla, Alaska 99687
Phone: (907) 376-5038
Fax: (907) 376-2382

Valdez Office, ADEC
PO Box 1709
Valdez, Alaska 99686
Phone: (907) 835-4698
Fax: (907) 835-2429

**Southeast Alaska
Juneau Office, ADEC**
410 Willoughby Avenue
Suite 105
Juneau, Alaska 99801-1795
Phone: (907) 465-5010
Fax: (907) 465-5097
TDD: (907) 465-5040

Ketchikan Office, ADEC
540 Water Street
Ketchikan, Alaska 99901
Phone: (907) 225-6200
Fax: (907) 225-0620

Sitka Office, ADEC
901 Halibut Point Road
Sitka, Alaska 99835
Phone: (907) 747-8614
Fax: (907) 747-7419

**Northern Alaska
Fairbanks Office, ADEC**
610 University Avenue
Fairbanks, Alaska 99709
Phone: (907) 451-2360
Fax: (907) 451-2188
(907) 451-2184 TTY

Nome Office, ADEC
PO Box 966
Nome, Alaska 99762
Phone: (907) 443-3294
Fax: (907) 443-7498

North Slope Office, ADEC
Box 140
Deadhorse, Alaska 99734
Phone: (907) 569-2215
Fax: (907) 569-0231

Alaska Department of Fish and Game (ADF&G)

Contact ADF&G for certain permit applications. These applications are on the Web at www.state.ak.us/local/akpages/FISH.GAME/habitat/geninfo/permitforms/permitforms.htm

Contact the Division of Habitat and Restoration at ADF&G for permitting information. They are on the Web at www.state.ak.us/local/akpages/FISH.GAME/habitat/geninfo/contacts/contacts.htm

You may also contact them at a division office:

Fish and Game Headquarters
Alaska Department of Fish and Game
Habitat and Restoration Division
1255 West 8th Street
PO Box 25526
Juneau, Alaska 99802-5526
Phone: (907) 465-4105
Fax: (907) 465-4759

REGION 1 — SOUTHEAST ALASKA

Alaska Department of Fish and Game
 Habitat and Restoration Division
 802 3rd Street
 PO. Box 240020
 Douglas, Alaska 99824-0020
 Phone: (907) 465-4290
 Fax: (907) 465-4272

Area Offices:**Ketchikan**

Alaska Department of Fish and Game
 Habitat and Restoration Division
 2030 Sea Level Drive, Suite 205
 Ketchikan, Alaska 99901
 Phone: (907) 225-2027
 Fax: (907) 225-2676

Sitka

Alaska Department of Fish and Game
 Habitat and Restoration Division
 304 Lake Street, Room 103
 Sitka, Alaska 99835-7563
 Phone: (907) 747-5828

Prince of Wales Area Office

Alaska Department of Fish and Game
 Habitat and Restoration Division
 PO Box 668, Craig, Alaska 99921
 Phone: (907) 826-2560 or 2561
 Fax: (907) 826-2562

REGION 2 — SOUTHCENTRAL AND WESTERN ALASKA

Alaska Department of Fish and Game
 Habitat and Restoration Division
 333 Raspberry Road
 Anchorage, Alaska 99518-1599
 Phone: (907) 344-0541
 Fax: (907) 267-2464

Joint Pipeline Office

Alaska Department of Fish and Game
 Habitat and Restoration Division
 411 West. 4th Avenue, Suite 2C
 Anchorage, Alaska 99501
 Phone: (907) 271-4336
 Fax: (907) 272-0690

REGION 3 — NORTHERN AND INTERIOR ALASKA

Alaska Department of Fish and Game
 Habitat and Restoration Division
 1300 College Road
 Fairbanks, Alaska 99701-1599
 Phone: (907) 459-7289
 Fax: (907) 456-3091

Alaska Department of Labor and Workforce Development (ADOL&WD)

Division of Labor and Safety Standards

Contact the Division of Labor and Safety Standards at ADOL&WD for information about labor laws and safety standards for workers. They are on the Web at www.labor.state.ak.us/lss/lss.htm

You may also contact them at:

Alaska Department of Labor & Workforce Development

Division of Labor and Safety Standards
 PO Box 21149
 Juneau, Alaska 99802-1149
 Phone: (907) 465-4855



Alaska Job Center Network

Contact your local office of the Alaska Job Center at ADOL&WD for information about on-the-job training (OJT) programs for your force accounting project. Addresses for all Alaska Job Centers in Alaska are on the Web at www.ajcn.state.ak.us/offices/

You may also contact the Alaska Job Center Network through the Employment Security Division of ADOL&WD at:

Department of Labor and Workforce Development

Employment Security Division

PO Box 25509

Juneau, Alaska 99802-5509

Phone: (907) 465-2712 Fax: (907) 465-4537

Americans with Disabilities Act (ADA) Coordinator's Office

Contact the Americans with Disabilities Act (ADA) Coordinator's Office at ADOL&WD for information about ADA regulations related to construction of public facilities. They are on the Web at www.labor.state.ak.us/ada/home.htm

You may also contact them at:

Department of Labor and Workforce Development

Division of Vocational Rehabilitation

ADA Coordinator's Office

801 West, 10th Street, Suite A

Juneau, Alaska 99801

Phone: (907) 465-2814 Fax: (907) 465-2856

Alaska Department of Natural Resources (ADNR)

Contact DNR for information about the status of state-owned land and for certain permits.

For the status of state-owned land, check the DNR land records on the Web at www.dnr.state.ak.us/landrecords

For permitting information, contact DNR through their Public Information Center, on the Web at www.dnr.state.ak.us/pic/index.htm

You may also contact DNR through one of these offices of the Public Information Center:

Anchorage

Robert B. Atwood Building

550 West 7th Ave, Suite 1260

Anchorage, Alaska 99501-3557

Phone: (907) 269-8400 Fax: (907) 269-8901 TDD: (907) 269-8411

E-mail: pic@dnr.state.ak.us

Business Hours: 10:00am to 5:00pm, M-F



Fairbanks

(Corner of University and Airport Way)
3700 Airport Way
Fairbanks, Alaska 99709-4699
Phone: (907) 451-2705 Fax: (907) 451-2706
TDD: (907) 451-2770
E-mail: fbx-pic@dnr.state.ak.us
Business Hours: 9:00am to 5:00pm, M-F

Juneau

(for Southeast Division of Land Issues)
400 Willoughby Avenue, 4th Floor
Juneau, Alaska 99801
Phone: (907) 465-3400 Fax: (907) 586-2954
E-mail: Southeast_Land@dnr.state.ak.us
Business Hours: 8:00am to 4:30pm, M-F

The addresses of all district offices of DNR are on the Web at www.dnr.state.ak.us/land/divcontact.htm

Alaska Department of Transportation and Public Facilities (ADOT&PF)

Contact ADOT&PF for right-of-way and driveway information and permits, and for engineering information about land they have developed.

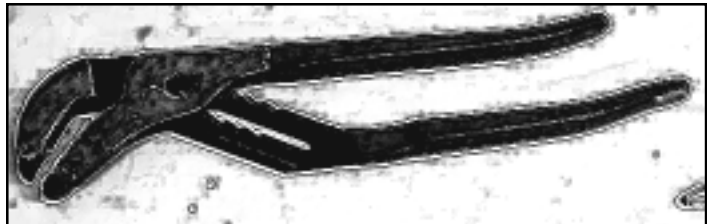
Right-of-way information is on the Web at www.dot.state.ak.us/external/state_wide/dnc/eos.d/row/row_permit.html

Driveway information is on the Web at www.dot.state.ak.us/external/state_wide/dnc/eos.d/row/drivewaydesignregs.html

You may also contact them at:

Alaska Department of Transportation and Public Facilities

Division of Statewide Design and Engineering Services
3132 Channel Drive
Juneau, Alaska 99801
Phone: (907) 465-2960
Fax: (907) 465-2460



Alaska Division of Governmental Coordination (DGC)

Contact DGC for answers to questions about permitting requirements. Contact information for current staff of this program is on the Web at: www.gov.state.ak.us/dgc/Contacts/contact.html

You may also contact them at:

Project Review Section

Division of Governmental Coordination (DGC)
Office of the Governor
PO Box 110030
Juneau, Alaska 99811-0030
Phone: (907) 465-2142

DGC also offers a central source for contact information for permitting agencies. Contact information by region for ADEC, ADF&G, DNR, DGC, and ACMP is on the Web at www.gov.state.ak.us/dgc/Projects/cpqcon.pdf

Alaska Industrial Development and Export Authority (AIDEA)

Contact AIDEA for funding and technical assistance with bulk fuel and electrical generation projects. They are on the Web at www.aidea.org.

You may also contact them at:

Alaska Industrial Development and Export Authority
813 West Northern Lights Blvd.
Anchorage, Alaska 99503
Phone: (907) 269-3000
Fax: (907) 269-3044

Alaska Native Tribal Health Consortium (ANTHC)

Contact ANTHC for funding and technical assistance with health facility construction projects. They are on the Web at www.anthc.org

You may also contact them at:

Alaska Native Tribal Health Consortium
4141 Ambassador Drive
Anchorage, Alaska 99508
Phone: (907) 729-1900
Fax: (907) 729- 1901



Alaska Office of the Recorder

Contact the state Office of the Recorder in the Alaska Department of Natural Resources (DNR) for the status of land that was once owned by the state or federal government, but is now owned by a private individual or corporation (such as an ANCSA corporation). Also contact the recorder's office to record the deed of sale or lease agreement for your building site.

You may find the district recorder's office for your area on the DNR Web site at www.dnr.state.ak.us/ssd/recoff/default.htm

The central office for the Office of the Recorder is at:
550 West 7th Ave, Suite 1200-A
Anchorage, Alaska 99501-3564
Phone: (907) 269-8872

Alaska State Fire Marshal

Information and application forms for a building permit from the state fire marshal are available on the Web at www.dps.state.ak.us/Fire/htm/plan.htm

You may also contact the state fire marshal directly at one of the following offices:

Anchorage

Division of Fire Prevention
5700 East Tudor Road
Anchorage, Alaska 99507
Phone: (907) 269-5604 Fax: (907) 338-4375
TDD: (907) 269-5094

Juneau

State Fire Marshal's Office
PO Box 111200
Juneau, Alaska 99811-1200
Phone: (907) 465-4331
Fax: (907) 463-5860

Fairbanks

State Fire Marshal's Office
1979 Peger Road
Fairbanks, Alaska 99709
Phone: (907) 451-5200
Fax: (907) 451-5218



Bureau of Indian Affairs (BIA)

Contact the Title Services Section at BIA for information about the status of land owned under restricted townsites or Native allotment deeds. They are on the Web at www.ak.bia.gov/

You may also contact them at:

Bureau of Indian Affairs

West Central Alaska Field Station
Title Services Section
3601 C Street, Suite 1100
Anchorage, Alaska 99503-5947
Phone: 271-3510

Bureau of Land Management (BLM)

Contact BLM through their Public Information Center for information about the status of federally-owned land and the original status of almost all land in Alaska, and for certain permits. They are on the Web at www.ak.blm.gov/pic/

You may also contact them directly at:

US Bureau of Land Management

Alaska Public Information Center
222 West 7th Avenue, #13
Anchorage, Alaska 99513-7599
Phone: (907) 271-5960

Environmental Protection Agency (EPA)

Contact EPA if your project includes the discharge of wastewater, sewage, or sludge into any kind of water; if constructing your project will expose at least five acres of soil; or if the storm water runoff during the construction or operation of your project might be polluted. They are on the Web at www.epa.gov/region10/

You may also contact them at:

US Environmental Protection Agency

Region 10
1200 6th Avenue
Seattle, WA 98101
Phone: (206) 553-1200
Toll-free: (800) 424-4EPA

Federal Aviation Administration (FAA)

Contact the FAA if you are planning to build within five miles of a public airport. They are on the Web at www.alaska.faa.gov/airports/

You may also contact them at:

Federal Aviation Administration

Airports Division
222 West 7th Avenue, #14
Anchorage, Alaska 99513
Phone: (907) 271-5439

Federal Energy Regulatory Commission (FERC)

Contact FERC if your project includes building a hydropower plant or any kind electrical transmission facility, placing utility lines on federal land, using water from a federal dam, or building a natural gas pipeline facility. They are on the Web at www.ferc.fed.us

You may also contact them at:

Federal Energy Regulatory Commission

Public Reference Room
888 First Street NE, Room 2-A
Washington, DC, 20426
Phone: (202) 208-1371 Fax: (202) 208-2320
Email: public.referenceroom@ferc.fed.us

Indian Health Service - US Department of Health and Human Services (IHS)

Contact the Indian Health Service for information about their Sanitation Facilities Construction Program. They are on the Web at www.ihs.gov/index.asp

You may also contact them at:

Alaska Area Native Health Service

4141 Ambassador Drive
Anchorage, Alaska 99508-5928
Phone: (907) 563-2662

National Archives

Contact the National Archives for information on the status of land in closed federal townsites. They are on the Web at www.nara.gov/

You may also contact them at:

National Archives
Pacific Alaska Region
654 West 3rd Avenue
Anchorage, Alaska 99501
Phone: 271-2443 Fax: (907) 271-2442

US Army Corps of Engineers (USCOE)

Contact the COE if your project includes dredging or filling any navigable waters or wetlands. They are on the Web at www.usace.army.mil/

You may also contact them at:

US Army Corps of Engineers
Alaska District
PO Box 898
Anchorage, Alaska 99506-0898
Phone: (907)753-2520
— or —
2204 3rd Street
Elmendorf Air Force Base, Alaska

US Coast Guard (USCG)

Contact USCG if your project includes a bridge, causeway, or deepwater port. They are on the Web at www.uscg.mil/d17/index.html

You may also contact them at:

United States Coast Guard
17th District
PO Box 25517
Juneau, Alaska 99802-5517
Phone: (907) 463-2025

US Department of Agriculture - Rural Information Center (RIC)

Contact RIC in the US Department of Agriculture for community planning resources. They are on the Web at www.nal.usda.gov/ric/.

You may also contact them at:

Rural Information Center
10301 Baltimore Avenue, Room 304
Beltsville, MD 20705-2351
Phone: (800) 633-7701
Fax: (301) 504-5181

US Department of Labor – Occupational Safety and Health Administration (OSHA)

Contact OSHA for information federal laws protecting worker safety and health. They are on the Web at www.osha.gov/

You may also contact them at:

US Department of Labor
Occupational Safety and Health Administration
Anchorage Area Office
National Bank of Alaska Building, Suite 407
301 West Northern Lights Boulevard
Anchorage, Alaska 99503
Phone:(907) 271-5152
Fax:(907) 271-4238

US Forest Service (USFS)

Contact USFS for information about land use in the Chugach and Tongass National Forests. They are on the Web at: www.fs.fed.us/r10/

You may also contact them at:

US Forest Service
Alaska Region
Federal Office Building
709 West 9th Street
PO Box 21628
Juneau, Alaska 99802-1628
Phone: (907) 586-8877

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The following information is provided in accordance with State law AS 44.99.210

Name of agency releasing publication:

Department of Community and Economic Development (DCED)

Production cost of the publication:

- _____ per each printed copy
- \$5.00 per CD copy
- Free when downloaded from website
<http://www.dced.state.ak.us/mra/Mradtrng.htm>

Purpose of the publication:

To help residents of rural Alaska communities plan for Capital Project management.

City and State where printed:

Anchorage, Alaska

The Department of Community and Economic Development complies with Title II of the Americans for Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Requests for such should be directed to DCED staff.

