



POLICY 7.065

4-F I recommend the Board adopt the proposed new Policy 7.065, to be entitled "Errors and Omissions of Construction-Related Professionals."

[Contact: Thomas Johns, 434-8867]

Adoption

CONSENT ITEM

- This new Policy was requested by the Board. It would be implemented to set forth the guidelines for handling errors or omissions by construction-related professionals, under contract with the Board, which lead to contingency change authorizations, authorizations to adjust contingency, construction change directives, and change order request proposals in the District's construction projects.
- As requested by the Board after the March 1 development reading, CORC met with some architects to discuss their concerns. CORC reviewed the proposed Policy on May 12, 2004 and some minor verbiage was later finalized in consultation with a CORC subcommittee.
- The Board approved this proposed Policy as a first reading on August 2, 2004. The Adoption Notice was duly advertised on August 16.

POLICY 7.065

ERRORS AND OMISSIONS OF CONSTRUCTION-RELATED PROFESSIONALS

- 1 1. All projects are subject to a review for the Professional's errors and omissions and
2 reported to the Board.
- 3 2. All Contingency Change Authorizations (CCA), Authorizations to Adjust
4 Contingency (AAC), Construction Change Directives (CCD), and Change Order
5 Request Proposals (CORP), hereafter referred to as "changes," will be classified as
6 to cause.
- 7 3. Classifications will include one for errors by the Professional and one for omissions
8 by the Professional. The following definitions will apply:
 - 9 a. Errors.-- Generally, an error would include the cost for "rework." This would be
10 work that had been installed, fabricated, or otherwise created in accordance
11 with plans and specifications; but the design was in error and the work needs
12 to be removed or altered to achieve the required result. In such instances, the
13 District had already paid for the design and the work, and the "rework"
14 provides no "value added."
 - 15 b. Omissions.-- Generally, an omission is an item of work that the Professional
16 should have, but did not, include in the plans and specifications. The District
17 had no previous cost for this item and would have paid for it had it been
18 included in the original plan and specifications. Thus, this change provides
19 "value added."
- 20 4. The Associated Costs will be determined as follows:
 - 21 a. Errors: The entire cost of all non-value added work.
 - 22 b. Omissions: The premium cost of performing the work the Professional failed to
23 include. If that cost could not be clearly established, then ten percent (10%) of
24 the value of the work added will be assumed to be the premium cost.
 - 25 c. In either case, the professional services needed to remedy an error or an
26 omission will be borne by the Professional.
- 27 5. If the combined Associated Costs of errors and omissions for a project exceeds
28 one percent (1%), staff shall review the project with participation by the design
29 professional and issue a report to the Board with recommendations regarding the
30 errors and omissions of the Professional.

- 43 6. Information announcing the total Associated Costs of all errors and premium costs
44 of omissions for a completed project will be available to selection committees.
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- 46 7. Nothing in this Policy will preclude the District from seeking reimbursement from
47 the Professional.
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- 49 8. To document that the necessary review of changes has occurred, one of the
50 following statements will be included on all changes submitted by the Professional
51 to the District:
52
- 53 a. "The enclosed changes have been examined and found to be necessary and
54 DO NOT represent any additional cost to the School District other than value
55 added. The cost information for this work is complete and detailed. The cost
56 has been examined and is fair and reasonable. This being the case, the
57 above have been approved and are being recommended to the District." OR
58
- 59 b. "The enclosed changes have been examined and found to be necessary and
60 DO represent additional cost to the District other than value added. The cost
61 information for this work is complete and detailed. The cost has been
62 examined and is fair and reasonable. This being the case, the above have
63 been approved and are being recommended to District."
64
- 65 9. Changes which result from the following will not be considered to be the
66 responsibility of the Professional:
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- 68 a. Unforeseen conditions such as unidentified soils or site conditions or
69 uncharted utilities or structures which received reasonable investigation prior
70 to design completion;
71
- 72 b. Changes in applicable codes, ordinances or other regulations or the
73 interpretations thereof after design has been permitted;
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- 75 c. Design modifications offered to make improvements to the project exclusive of
76 modifications needed to accomplish the original design intent; or
77
- 78 d. Changes caused by the District which occur after the design has been
79 permitted.
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81 STATUTORY AUTHORITY: § 1001.41(2), Fla. Stat.

82 LAWS IMPLEMENTED: §§ 287.055, 1013.45(4), 1013.48, Fla. Stat.

83 HISTORY: _____ New: / /04

Legal Signoff:

The Legal Department has reviewed proposed Policy 7.065 and finds it legally sufficient for development by the Board.

Attorney

Date