

**POLICY 7.065**

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

[Contact: Thomas Johns, 434-8283.]

**Development**

**CONSENT ITEM**

- This new Policy would be implemented to set forth the guidelines for handling errors or omissions by architects and engineers which lead to contingency change authorizations, authorizations to adjust contingency, construction change directives, and change order request proposals in the District's construction projects.
- CORC reviewed the draft on February 12, 2004, suggested minor amendments, and endorsed the proposed Policy.

POLICY 7.065

**ERRORS AND OMISSIONS OF CONSTRUCTION-RELATED PROFESSIONALS**

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4 1. All Contingency Change Authorizations (CCA), Authorizations to Adjust  
5 Contingency (AAC), Construction Change Directives (CCD) and Change Order  
6 Request Proposals (CORP), hereafter referred to as "changes" be classified as  
7 to cause.  
8
- 9 2. Classifications will include one for errors by the Professional and one for  
10 omissions by the Professional.  
11
- 12 3. Errors and omissions up to 2% of the first five million of construction costs and  
13 1% of the balance of the construction costs, as valued at the time of the  
14 construction contract award, will be considered within the standard for  
15 professional services. However, in any case, any errors and omissions resulting  
16 in values greater than \$225,000 of construction costs shall be borne by the  
17 Professional.  
18
- 19 4. When the combination of errors and omissions exceeds these standards they will  
20 be treated as follows:
  - 21
  - 22 a. Errors – the cost of all non-value added work and the cost of related  
23 professional services would be borne by the Professional.  
24
  - 25 b. Omissions – the premium cost of doing the work the Professional failed to  
26 include and the cost of the related professional services OR if that could  
27 not be clearly established, then 10% of the value of the work added will be  
28 assumed to be the premium cost and be borne by the Professional.  
29
  - 30 c. The District will make the initial interpretation of these Errors and  
31 Omissions determinations.  
32
  - 33 d. Reimbursement in the form of credit on current billings may be  
34 appropriate.  
35
- 36 5. To document that the necessary review of changes has occurred, the following  
37 will be included on all "changes" submitted by the Professional to the owner:
  - 38
  - 39 a. The enclosed "changes" have been examined and found to be necessary  
40 and DO NOT represent any additional cost to the District other than value  
41 added. The cost information for this work is complete and detailed. The  
42 cost has been examined and is fair and reasonable. This being the case,

43 the above have been approved and are being recommended to the  
44 District.

45 OR

46  
47 b. The enclosed "changes" have been examined and found to be necessary  
48 and DO represent additional cost to the District other than value added.  
49 The cost information for this work is complete and detailed. The cost has  
50 been examined and is fair and reasonable. This being the case, the  
51 above have been approved and are being recommended to District. The  
52 additional cost of \_\_\_\_\_, not representing value added, will be  
53 considered under Section (4), subject to a later claim or determination of  
54 fault by the A/E or School District.

55  
56 6. "Changes" which result from the following will not be considered to be the  
57 responsibility of the Professional:

58  
59 a. Unforeseen conditions such as unidentified soils or site conditions or  
60 uncharted utilities or structures which received reasonable investigation  
61 prior to design completion;

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63 b. Changes in codes or interpretations of the codes after design has been  
64 completed;

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66 c. Design modifications offered to make improvements to the project  
67 exclusive of modifications needed to accomplish the original design intent;  
68 or

69  
70 d. Changes caused by the owner which occur after the design has been  
71 completed.

72  
73 STATUTORY AUTHORITY: § 1001.41(2), Fla. Stat.

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

75 HISTORY: \_\_\_\_\_ New: \_\_\_ / \_\_\_ /04

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Legal Signoff:

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

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Attorney

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Date