

# Construction Closeout

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## Tasks of Construction Closeout

As construction draws to a close, the work will be inspected by the Architect/Engineer or ESCO, Project Manager, and the University's Operations and Maintenance personnel to determine how close the project is to completion. During this time, Contractors will need to correct items noted in the Punch List and deposit As-Built Drawings and Maintenance Manuals into Kahua.

Before final payment may be made to the Contractor, the University must determine that the work is substantially complete. At this time, the retainage amount may be released back to the Contractor.

Therefore, construction closeout involves the following activities recorded in Kahua:

- O&M Inspection Reports.
- Punch List Items.
- As-Built Drawings and Maintenance Manuals.
- Reduction in Retainage Affidavit.
- Certificate of Substantial Completion.
- Contractor's Final Payment Affidavit.
- Contractor's Final Release and Waiver of Lien.
- Contractor's Final Release and Waiver of Lien for SVS.

## Construction Closeout Checklist

Closeout checklists internal to university staff can be found in the Phase Gate App in Kahua. Refer to the [Phase Gate App job aid](#) for instructions on using this app.

	<b>Task No.</b>	<b>Role</b>	<b>Activities</b>	<b>Actions within Kahua</b>
For the Construction Closeout Checklist:				
	1.	Contractor	Contractor believes that the work is substantially complete (>90% complete).	
	2.	Contractor	Ensures that all submittal requirements have been met.	
	3.	A/E	A/E reviews all submittals.	
	4.	Contractor	Contractor prepares a list of work remaining to be completed and submits the list to the Architect/Engineer or Energy Service Company.	
	5.	Contractor	Contractor requests substantial completion from the A/E.	
	6.	A/E	A/E evaluates the substantial completion request and all requirements.	
	7.	A/E	A/E approves or denies the request. If denied, Contractor must resubmit at a later time. Assuming the request is approved, it moves forward.	
	8.	A/E	A/E schedules a walk-through of the area with appropriate project team members in order to develop the Punch List of work to be completed by the contractor.	
	9.	A/E	A/E records Punch List items within Kahua.	A/E records Punch List items in the Punch Lists App.

Task No.	Role	Activities	Actions within Kahua
<input type="checkbox"/>	10. A/E & CCU	Capital Construction Unit and A/E determine the Owner Possession Date.	A/E records the Owner Possession Date on the <a href="#">Certificate of Substantial Completion</a> form, found on the UOCP website. Option to Save form in File Manager App in Kahua.
<input type="checkbox"/>	11. Contractor	Contractor begins work on Punch List items.	Record progress on punch list items in Punch Lists App.
<input type="checkbox"/>	12. A/E	A/E completes the Certificate of Substantial Completion and begins the approvals process.	A/E completes the Certificate of Substantial Completion.
<input type="checkbox"/>	13. CM	CM, if applicable, approves the Certificate of Substantial Completion.	Signs the certificate saved in project file.
<input type="checkbox"/>	14. Contractor with Assigned Subcontractors	Contractor with Assigned Subcontractors, if applicable, approves the Certificate of Substantial Completion.	Signs the certificate saved in project file.
<input type="checkbox"/>	15. A/E	A/E approves the Certificate of Substantial Completion.	Signs the certificate saved in project file.
<input type="checkbox"/>	16. PM	PM approves the Certificate of Substantial Completion.	Signs the certificate saved in project file.
<input type="checkbox"/>	17. PM	PM notifies appropriate campus units of Substantial Completion.	
<input type="checkbox"/>	18.	Substantial Completion Certificate is fully executed. Contractor has 30 days within which to complete all Punch List items. If Contractor does not meet this deadline, they face liquidation damages for violation.	

<b>Task No.</b>	<b>Role</b>	<b>Activities</b>	<b>Actions within Kahua</b>
<input type="checkbox"/> 19.	Contractor	Complete Affidavit for Reduction in Retainage, per 00 70 00 - General Conditions, article 12.	Add the Affidavit for Reduction in Retainage to the References section of the Pay Request in Kahua.
<input type="checkbox"/> 20.	Contractor	Guarantee of work by Contractor begins. Contractor addresses all Punch List items.	Record completion of punch list items in Punch Lists App.
<input type="checkbox"/> 21.	Contractor	Notifies A/E that Punch List items are ready for inspection.	Notify A/E that punch list items are ready for inspection and send punch list items for approval in the Punch Lists App.
<input type="checkbox"/> 22.	A/E	A/E schedules walk-through of project with appropriate team members for final inspection.	
<input type="checkbox"/> 23.	A/E & CCU	Accept (or reject) work as in full compliance with the Contractor's contract. This involves a field-verification of the completion of all Punch List items.	Approve completion of Punch List items in the Punch Lists App.
<input type="checkbox"/> 24.	Contractor	If the work is not in full compliance, the Contractor must remedy any defects. A later, additional inspection occurs, as in step 18 above.	
<input type="checkbox"/> 25.	PM & Contractor	PM approves reduction of Contractor's Retainage to zero.	Contractor notifies PM through written communication. Contractor updates the Pay Request document to zero retainage.

<b>Task No.</b>	<b>Role</b>	<b>Activities</b>	<b>Actions within Kahua</b>
<input type="checkbox"/> 26.	PM	Notifies Contractor to submit Final Pay Application, the Contractor's Affidavit for Final Payment, the Contractor's Final Release and Waiver of Lien, and Final Release and Waiver of Lien for Subcontractors/Vendors/Suppliers.	
<input type="checkbox"/> 27.	Contractor	Contractor ensures that all payments have been made to Subcontractors/Vendors/Suppliers	
<input type="checkbox"/> 28.	Contractor	Completes Final Pay Requests, the Contractor's Affidavit for Final Payment, the Contractor's Final Release and Waiver of Lien, and Final Release and Waiver of Lien for Subcontractors/Vendors/Suppliers	Completes Final Pay Requests and attaches the Contractor's Affidavit for Final Payment, the Contractor's Final Release and Waiver of Lien, and Final Release and Waiver of Lien for Subcontractors/Vendors/Suppliers
<input type="checkbox"/> 29.	A/E	Approves Final Pay Requests, the Contractor's Affidavit for Final Payment, the Contractor's Final Release and Waiver of Lien, and Final Release and Waiver of Lien for Subcontractors/Vendors/Suppliers	Approves Final Pay Requests, the Contractor's Affidavit for Final Payment, the Contractor's Final Release and Waiver of Lien, and Final Release and Waiver of Lien for Subcontractors/Vendors/Suppliers

<b>Task No.</b>	<b>Role</b>	<b>Activities</b>	<b>Actions within Kahua</b>	
<input type="checkbox"/>	30.	PM	Approves Final Pay Requests, the Contractor's Affidavit for Final Payment, the Contractor's Final Release and Waiver of Lien, and Final Release and Waiver of Lien for Subcontractors/Vendors/ Suppliers	Approves Final Pay Requests, the Contractor's Affidavit for Final Payment, the Contractor's Final Release and Waiver of Lien, and Final Release and Waiver of Lien for Subcontractors/ Vendors/ Suppliers
<input type="checkbox"/>	31.	CCU	Approves Final Pay Requests, the Contractor's Affidavit for Final Payment, the Contractor's Final Release and Waiver of Lien, and Final Release and Waiver of Lien for Subcontractors/Vendors/ Suppliers	
<input type="checkbox"/>	32.	Business Manager	Completes Final Pay Request	Approves Final Pay Request

Abbreviations Used:

- A/E = Architect/Engineer
- CCU = Capital Construction Unit
- CM = Construction Manager
- ESCO = Energy Service Company
- PM = University Project Manager

## Retainage Reduction Affidavit

The Contractor uses this form to apply for a reduction in retainage. This may only be done when the construction work for the contract is at least 90% complete and the work completed by the Contractor is in accordance with provisions of the contract. Only one Affidavit for Reduction in Retainage per Division of Work is allowed.

The reduction in retainage must be approved by the Architect/Engineer and the Project Manager. In addition, if the Contractor is not the Contractor with Assigned Subcontractor, the reduction must also be approved by the Contractor with Assigned Subcontractor.

### Create the Contractor's Affidavit for Reduction in Retainage

1. Download the '[Contractor's Affidavit for Reduction in Retainage](#)' form from the UOCP website.
2. Enter the county in which the Contractor's business resides.
3. Enter the name of the person completing the form.
4. In section 1, enter the role of the person completing the form, the company, the Division of Work for the contract (general, electrical, etc.), and the project name.
5. In section 6, enter the requested amount of the retainage to be released, in numerals, rounded to the nearest two significant digits (e.g., 92,785.00) and the approximate percent of the total contract value.
6. Sign and date the document and enter the title of the person signing.

### Retainage Reduction Approvals

The Affidavit for Reduction in Retainage is approved by the following roles, in order:

- Contractor with Assigned Subcontractor or ESCO
- Architect/Engineer
- Project Manager

### Approve the Contractor's Affidavit for Reduction in Retainage

The contractor should add the Affidavit for Reduction in Retainage to the References section of the Pay Request in Kahua.

1. Start a new Pay Request. (Refer to the Kahua job aid [Construction Pay Request](#) for details on starting a new Pay Request.)

2. Navigate to the References section of the record.
3. Upload the completed document.
4. Select Save/Close.

### **Manually Modify Retainage**

The Contractor can reduce retainage by adjusting the ‘Work Completed Retainage %’ and ‘Stored Material Retainage %’ fields in the next Pay Request.

### **Reduce Retainage**

1. Start a new Pay Request or open the existing draft Pay Request. (Refer to the Kahua job aid [Construction Pay Request](#) for details on starting a new Pay Request.)
2. Navigate to the Scope section of the record.
3. Update the percentage number in the ‘Work Completed Retainage %’ and ‘Stored Material Retainage %’ fields.
4. Complete the remainder of the Pay Request.

## Punch List Items

After conducting a walk-through of the project, the Architect/Engineer or ESCO fills out a Punch List to record corrective work that needs to be performed by the Contractor. The Contractor then uses the punch list to indicate agreement and to show completion. Finally, the Architect/Engineer or ESCO returns to the form to indicate acceptance of the work.

For instructions on how to create, respond to, and approve punch list items in Kahua, please see this job aid: [Punch List](#). A punch list report can be downloaded from Kahua to attach to the Substantial Completion Certificate as well.

## Certificate of Substantial Completion

The Certificate of Substantial Completion is an important document for the Contractor and the Project Manager because it establishes the date that the University assumes responsibility for the project from the Contractor. That takeover includes responsibility for such things as utility costs, security, and other normal operations of the project. Substantial Completion is defined as the use of the space for the purpose originally intended.

The Architect/Engineer or ESCO authors the Certificate of Substantial Completion. However, on CM projects, the Construction Manager authors the Certificate of Substantial Completion. The Contractor reviews and indicates their agreement with it. Subsequently, other individuals approve this document.

### Create the Certificate of Substantial Completion

1. Download the form from the UOCP Website <https://www.uocpres.uillinois.edu/>, found under Contracts & Forms for Contractors.
2. Fill in the required project information, A/E and Contractor information, as well as the Inspection Date and Owner Possession Date.
3. In the Inspection section, list the Inspection Participants who participated in the punch list walk through and their Representing (Firm or Agency).
4. In the Extended Warranty section, list the items that have unusual guarantees on elements of construction that differ from the normal 365-day warranty. Designate the Items by name, Specification Section, the Date of Commencement on the warranty, the Duration of the warranty, and the Date of Expiration. If there are more than 12 items, attach a document which outlines the additional warranties.
5. The AE saves the document in the File Manager App in a folder specified by the PM or sends it using another specified method by the PM.
6. Attach any files or drawings to this form that support the Certificate of Substantial Completion.
7. Attach the Punch List Items.

### Approvals

Depending on the delivery method of the project, the following individuals may approve this document:

- Construction Manager.
- Assigned Subcontractor.
- Contractor with Assigned Subcontractors.
- Architect/Engineer or Energy Service Company.
- Project Manager.

Each of these individuals must indicate whether they agree or disagree with the Certificate by signing the document. If there is a CCU Lead Inspector, add any attached notices of concurrence.

## **As-Built Drawings/Maintenance Manuals**

In order to close a construction contract, each Contractor must deliver the required maintenance manuals and as-built drawings to the owner.

As part of the completion of the Construction phase, the Architect/Engineer or ESCO prepared submittal documents that contain the requirements for each Division of Work on the As-Built Drawings and Maintenance Manuals.

Contractors should submit As-Builts and Maintenance Manuals by the method requested by the PM.

## **Final Payment Affidavit**

The Final Payment Affidavit is a boilerplate document that brings in information about the Contractor or ESCO and ESCO Subcontractor and is the last in a series of close-out documents. It is typically submitted along with the Contractor's Final Waiver of Lien.

This document is typically created by the Contractor or ESCO and ESCO Subcontractor, but if a Construction Manager is used in the project, the Construction Manager creates the document.

Download the Final Payment Affidavit from the UOCP website (<https://www.uocpres.uillinois.edu/>) from under 'Contracts & Forms for Contractors', complete the document, and attach it to the final Pay Request in Kahua.

## **Contractor's Final Release and Waiver of Lien for SVS**

Download the Contractor's Final Release and Waiver of Lien for SVS from the UOCP website (<https://www.uocpres.uillinois.edu/>) from under 'Contracts & Forms for Contractors', complete the document, and attach it to the final Pay Request in Kahua.

## **Contractor's Final Release and Waiver of Lien**

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