



Construction Contracts Training Document

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Overview

The Expense Contracts application allows you to create a downstream contract against your budget.

The system will track the Schedule of Values for the contract. Cost amounts are tracked in Work Breakdown according to status.

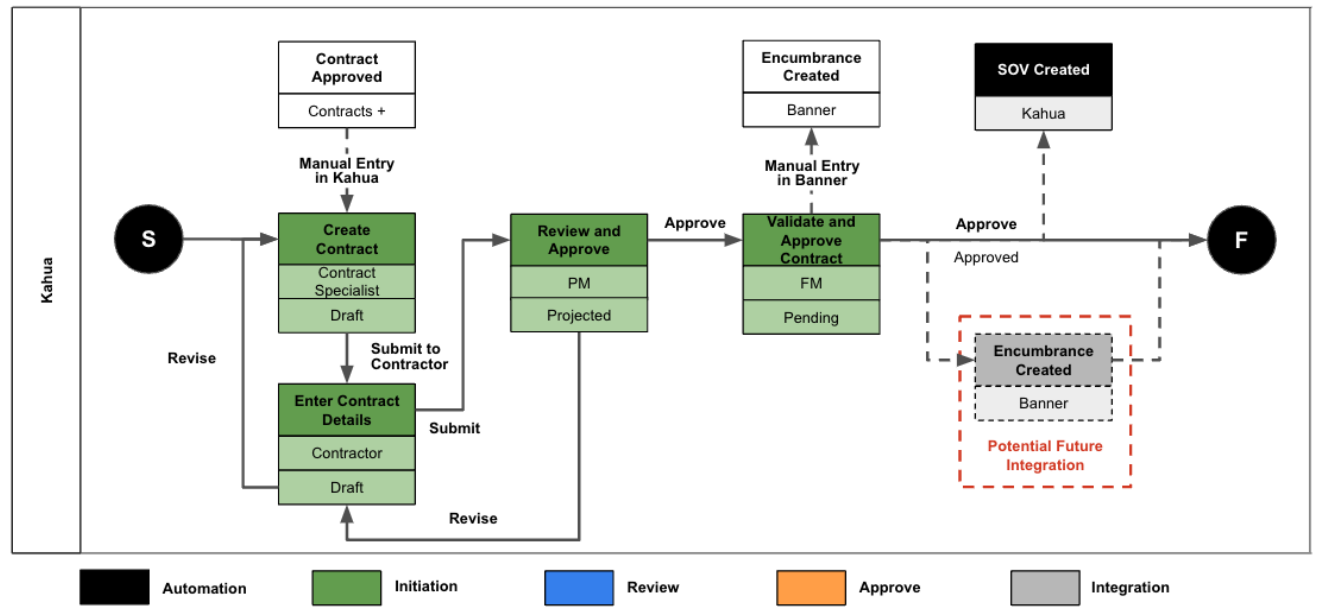
To access the Expense Contracts application, please open the Apps repository.

Under the Cost Management suite of applications click on Expenses.

This will launch the Expenses Applications which will include:

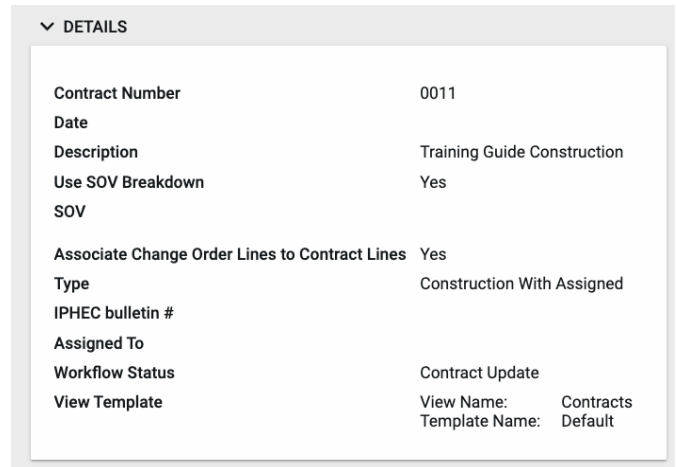
- **Contracts**
- Change Orders
- SOV Breakdown
- Pay Requests
- Purchase Orders
- Purchase Order Change Orders
- Invoices
- Compliance Tracking

Workflow



Create a Contract

1. Only Contract Specialists will initiate a contract.
2. To create a new Contract, navigate to the appropriate project and go to the Expense Application.
3. Select the **Contracts** tab, then click the **New** button to open a new Contract.
4. Notice a new form will open on the right side of the screen.
5. Populate the Contract Details such as:
 - a. Contract Number: Use CN from Contracts+
 - b. Date: List Contract Execution Date.
 - c. Description: List Division of Work
 - d. Type: For this guide select Construction With Assigned, Construction Assigned, or Single Prime.
 - e. IPHEC bulletin #: List the Illinois Procurement Bulletin number.
6. Leave the “SOV Breakdown” and “Associate CO Lines to Contract Lines” boxes checked.
7. The financial information will be completed later in the process by the Financial/Business Manager.
8. In the Parties section,
 - a. Select the From Contact for this contract, which will likely be the project manager for the project.
 - i. After selecting the Contact, the Company Name, Company Office, and Company Address will automatically populate.
 - ii. If multiple Company Offices exist, the single select drop down list will populate with the choices. Select the appropriate office.
 - b. Select the To Contact i.e. who the Contact should be on the Contract.



The screenshot shows a 'DETAILS' section of a contract form. It contains the following fields and values:

Contract Number	0011
Date	
Description	Training Guide Construction
Use SOV Breakdown	Yes
SOV	
Associate Change Order Lines to Contract Lines	Yes
Type	Construction With Assigned
IPHEC bulletin #	
Assigned To	
Workflow Status	Contract Update
View Template	View Name: Contracts Template Name: Default

- c. **Add Approval Doc** which is used anytime a record is being routed for Review or Signature.
13. Once all details have been filled out, click **Save/Close** and then click **Submit to Contractor**.

Contract Action Buttons

Once the fields within the record have been completed and saved, the users can select from several actions:

SEND	EDIT	DELETE	HISTORY
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- **Send** – Use messaging to send record details to others (NOT to be confused with a workflow)
- **Edit** – Update and maintain the record
- **Delete** – Select this action button to delete a record (typically permission based, so all may not see this)
- **History** – All updates/changes are tracked

Send

- Do not confuse **Send** with using the workflow buttons in any application
- Documents can be sent via a message within Kahua to either existing Kahua users or users outside of Kahua by entering their email address and clicking **Enter**
- The documents are treated as attachments, and the message can be copied to the **Communications** application by checking the box

Edit

- The record can be updated as needed during the process
- If the document is out for Review or Signature, **Edit** will not be available

History

- The **History** action button provides details regarding all activity (Creation, Updates, Saves, etc.) performed on the record
- To see specific details related to the updates made, click the View Edit button

Contractor Step of Construction Contract

1. The To Contact in the Parties section will receive a Task & email notification that the contract is in their court. They can add the Contract/Agreement line items by:

- a. Clicking on the Task,
- b. Clicking **View Source Record**,
- c. Clicking **Edit**.

2. The contractor can review the Details and Parties details, but this information cannot be edited.
3. In the Scope section, the contractor can update the Scope of Work field if needed.

4. In the Dates & Workflow section, the contractor should update the dates that are known.

- a. Award: Enter the date the award was posted to the Procurement Bulletin.
- b. Notice of Award: Enter the date Notice of Award was issued.
- c. Executed: Enter the date of contract execution, final signature on contract.
- d. Start Date: Enter the date of Notice to Proceed.
- e. End Date: Enter the Substantial Completion date per contract.
- f. Substantial Completion: Enter the Substantial Completion date per contract.
This can be updated later if this date is revised.
- g. Final Completion: Enter the Final Completion date per contract.

5. Select 'Yes' or 'No' from the dropdown to note whether you are responsible for Builder's Risk Insurance.

[View Source Record >](#)

Total \$10,000.00

Please click on the View Source Record Link and edit to add the details.

DETAILS

Contract Number	0011
Date	
Description	Training Guide Construction
Use SOV Breakdown	Yes
SOV	
Associate Change Order Lines to Contract Lines	Yes
Type	Construction With Assigned
IPHEC bulletin #	
Assigned To	
Workflow Status	Contract Update
View Template	View Name: Contracts Template Name: Default

6. Review the Items grid, and the contract total entered by the Contract Specialist. If the information is incorrect, send the contract back to the Contract Specialist for update. If it is correct, click **Submit to PM**.

Project Manager Step of Construction Contract

1. The Project Manager selected in the Project Details will receive a Task & email notification that the contract is ready for their review.
2. Select the Task, then Click **View Source Record** to navigate to the Contracts App. Click **Edit**.
3. The Project Manager can now review the information entered by the Contractor and Contract Specialist in the previous steps.
4. The PM can also
 - a. Update Internal Notes,
 - b. Add Comments,
 - c. Add additional References.
5. Once all information has been reviewed the Project Manager can click on **Save/Close** to edit later or **Submit to FM**.

[View Source Record >](#)Total \$10,000.00

▼ DETAILS

Contract Number	0011
Date	
Description	Training Guide Construction
Use SOV Breakdown	Yes
SOV	
Associate Change Order Lines to Contract Lines	Yes
Type	Construction With Assigned
IPHEC bulletin #	
Assigned To	Data Migration
Workflow Status	PM Review
View Template	View Name: Contracts Template Name: Default

Financial Manager Step of Construction Contract

1. The Financial Manager (FM) selected in the Project Details will receive a Task & email notification that the contract is in their court. At this step, the FM can enter the Encumbrance Number, Charge Code & Account Code. To start,
 - a. Click on the Task,
 - b. Click **View Source Record** to navigate to the Contracts App,
 - c. Click **Edit**.

2. The Financial Manager can now:
 - a. Add an Encumbrance Number.
 - b. Select a Charge Code from those entered in the Project details.
 - c. Add an Account Code.
 - d. Add additional References.
 - e. Review all Information entered by the Contract Specialist, the Contractor, and the Project Manager in the previous steps.

View Source Record >

Total \$10,000.00

▼ DETAILS

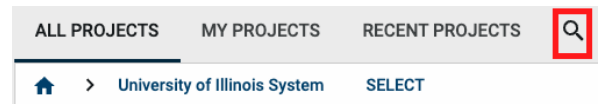
Contract Number	0011
Date	
Description	Training Guide Construction
Use SOV Breakdown	Yes
SOV	
Associate Change Order Lines to Contract Lines	Yes
Type	Construction With Assigned
Encumbrance Number	
Charge Code	
Account Code	
IPHEC bulletin #	
Assigned To	Data Migration
Workflow Status	FM Review
View Template	View Name: Contracts Template Name: Default

3. Save all edits by clicking **Save**.
4. Once all information has been reviewed, the Financial Manager can click on the **Approve** Button which will Approve the Contract as the Financial Manager is the last step of this process.

On Approval of Construction Contract

1. Once the Construction Contract has been approved, the Contractor, Project Manager, and Risk Management (selected in the Project Details), will receive an email & Kahua notification letting them know that the Contract has been Approved.
 - a. The Project Manager & Financial Manager can edit the details section of the contract after approval.
2. The Contractor selected in the To Parties section will receive an additional notification letting them know that they can navigate to the Contract in the Contracts Application in Kahua and start the entry of the Schedule of Values (SOV).
3. To do this navigate to the project by:
 - a. Clicking on the Project Finder App in the left side Navigation,
 - b. Selecting the project where the contract was created.
4. You can also use the Search functionality in the Project Finder to locate you project by:

- a. Clicking on Project Finder in the left side Navigation.



- b. Clicking on the Magnifying Glass icon next to Recent Projects, as shown in the image below.
 - c. Type out the Project Name and click on the project.
5. Once in the project go to the Expense Application by clicking on Apps, then All Apps, then searching for Expenses using the Search Bar.
 6. Select the Contracts sub app, then click on the Approved contract.
 - a. The Contract will open on the right side of the screen.
 7. Click on the **Process to SOV** button located at the bottom of the Contract. This will
 - a. automatically navigate the Contractor to the SOV Application in Kahua where the Schedule of Values can be entered and broken down.
 8. Refer to the Schedule of Values (SOV) Training Guide on how to use the SOV Application.

Process to SOV