**Glossary of**

**‘Construction Project’ Terms**

**GENERAL CONSTRUCTION TERMS**

**A**

**Addendum** A supplement to documents, issued prior to taking receipt of bids, for the purpose of clarifying, correcting, or otherwise changing bid documents previously issued.

**Additional Services** Services provided in addition to those specifically designated as basic services in the agreement between the owner and CM. Also known as Supplemental Services.

**Agency** A legal relationship by which one party is empowered and obligated to act on behalf of another party.

**Agency CM** A form of Construction Management performed in a defined relationship between the CM and owner. The agency form of Construction Management establishes a specific role of the CM acting as the Owner's principal agent in connection with the Project.

**Agreement** A document setting forth the relationships and obligations between two parties, as the CM and owner or contractor and owner. It may incorporate other documents by reference.

**Apparent Low Bidder** The bidder who has submitted the lowest bid for a division of work described in bid documents, a proposal form, or proposed contract.

**Approved Bidders List** The list of contractors that have been prequalified for the purpose of submitting responsible, competitive bids.

**Approved Changes** Changes in the contract documents that have been subjected to an agreed upon change approval process and have been approved by the party empowered to approve such changes.

**See Also: *Change Order***

**As-Built Drawings** Drawings (plans) that show the work, as actually installed. Also known as Record Drawings.

**At-Risk CM** A delivery method which entails a commitment by the construction manager to deliver the project within a Guaranteed Maximum Price (GMP). The construction manager acts as consultant to the owner in the development and design phases, but as the equivalent of a general contractor during the construction phase. When a construction manager is bound to a GMP, the most fundamental character of the relationship is changed. In addition to acting in the owner's interest, the construction manager also protects him/herself.

**B**

**Basic Services** Scope of service as defined in the original agreement between owner and CM as basic services.

**Beneficial Occupancy** The use of the constructed facility by the owner prior to final completion of the construction.

**Bid** An offer to perform the work described in contract documents at a specified cost.

**Bid Bond** A pledge from a surety to pay the bond amount to the owner in the event the Bidder defaults on itscommitment to enter into a contract to perform the Work described in the Bid Documents for the bid price

**Bid Documents** The documents issued to the contractor(s) by the owner which describe the proposed Work and contractterms. Bid documents typically include: drawings, specifications, contract forms, general andsupplementary general conditions, proposal or bid forms, and other information.

**Biddability** The degree to which a set of Bid Documents could be reasonably expected to permit a bidder to establish a competitive price to perform the Work as defined in the Bid Documents.

**Biddability Review** A formal review of the contract documents, addendum, and reference documents to eliminate ambiguities, errors, omissions, and contradictions, to be accomplished with respect to the local construction marketplace and the bid packaging strategy; for the purpose of minimizing bid prices in the procurement phase and disputes during construction.

**Bond** A pledge from a surety to pay the bond amount to the Obligee (owner or contractor) in the event of adefault, or non-payment by a principal (contractor or subcontractor), as with Bid, Performance and Laborand Material Bonds.

**Bonus** Additional compensation paid or to be paid to a contractor by the owner as a reward for accomplishingpredetermined objectives that are over and above the basic requirements of the contract between theowner and contractor.

**Budget** The dollar and time amount allocated by the owner for a project.

**Budget Estimate** An estimate of the cost of work based on preliminary information, with a qualified degree of accuracy.

**C**

**Change Order** A written agreement or directive between contracted parties which represents an addition, deletion, orrevision to the contract documents, identifies the change in price and time and describes the nature(scope) of the work involved. Also known as Contract Modifications.

**See Also: *Contract Modifications***

**Changed Conditions** Conditions or circumstances, physical or otherwise, which alter the conditions or circumstances on whichthe contract documents were based.

**Claim** A formal demand for compensation, filed by a contractor or the owner with the other party, in accordancewith provisions of the contract documents.

**CM Fee** A form of contractual payment for services, where the CM is paid a fee for services performed.

**Code of Accounts** The owner's written description of the cost elements of the project, used for the owner's accountingpurposes.

**Commissioning** Start up, calibration, and certification of a facility.

**Constructibility** The ease with which a project can be built, based upon the clarity, consistency, and completeness of thecontract documents for bidding, administration, and interpretation to achieve overall project objectives.

**Constructibility Reviews** The process of evaluating the construction documents for clarity, consistency, completeness, and ease ofconstruction to achieve overall project objectives.

**Construction Budget** The sum established, normally during the planning or design phase, as available for construction of theproject.

**Construction Cost** All costs attributed to the construction of the project, including the cost of contracts with the contractor(s),construction support items, general condition items, all purchased labor, material and fixed equipment.

**See Also: *Cost of Construction***

**Construction Management** A professional service that applies effective management techniques to the planning, design, andconstruction of a project from inception to completion for the purpose of controlling time, cost and quality.

**Contingency** An amount of money reserved by the owner to pay for unforeseen changes in the work.

**Contract Modifications** A written agreement or directive between contracted parties which represents an addition, deletion, orrevision to the contract documents, identifies the change in price and time and describes the nature(scope) of the work involved.

**Critical Date Schedule** A schedule representing important events along the path to project completion. All milestones may not be equally significant. The most significant are termed "major milestones" and usually represent the

completion of a group of activities.

**See Also: *Milestone Schedule***

**Critical Path Method (CPM)** A management technique used to plan and control a project which combines all relevant information into a single plan defining the sequence and duration of operations, and depicting the interrelationship of theWork elements required to complete the project. The critical path is defined as the longest sequence ofactivities in a network which establishes the minimum length of time for accomplishment of the end eventof the project. Arrow Diagramming Method (ADM) and Precedence Diagramming Method (PDM) are bothcommon techniques used in CPM scheduling.

**D**

**Deficient Work** Work conforming to the plans, specifications, and applicable standards yet is incomplete, insufficient, orlacking in workmanship. See "Non-conforming Work."

**Design Development (DD)** The term used on projects to describe the transition from the schematic phase to the completion of thedesign development phase. During this phase ancillary space is developed and dimensions are finalized.Outline specifications are developed into technical specifications; sections are delineated and elevations aredefined. The size and character of the entire project are defined as to architectural, structural, mechanical,and electrical systems, materials and other essentials as may be appropriate; and prepares a statement ofprobable construction cost.

**See Also: *Design Phase – Preliminary***

**Design Phase – Final** The phase of the design process on a project when drawings and specifications are completed forconstruction bid purposes. The phase is preceded by the preliminary design phase, and followed by the bidand award phase. The designation used by design professionals for the last part of the design process priorto bidding. Also known as Construction or Working Drawings.

**Design Phase – Preliminary** The term used on projects to describe the transition from the schematic phase to the completion of thedesign development phase. During this phase ancillary space is developed and dimensions are finalized.Outline specifications are developed into technical specifications; sections are delineated and elevations aredefined. Also known as Design Development.

**See Also: *Design Development***

**Design Phase – Schematic** Traditionally this is the first phase of a design professional's basic services. In the schematic phase, thedesign professional ascertains the requirements of the project and prepares schematic design studiesconsisting of drawings and other documents illustrating the scale and relationships of the project.

**Design Professional** The professional individual or organization that performs the design and prepares plans and specificationsfor the work to be performed. The professional can be an architect, an engineer, or an organization whichcombines professional services.

**Design-Build** Design-Build is a project delivery method which combines architectural and engineering design serviceswith construction performance under one contract agreement.

**Development Manager (DM)** Development Managers are construction professionals who work as Owner Representatives in largeprojects and also assist in construction cost estimating, project reporting and management. DevelopmentManagers also assist in limited Facility Needs Analysis and Funding Ability/Assessment. Please contact ACCConstruction office for current DM listing.

**Direct Costs** The field costs directly attributed to the construction of a project, including labor, material, equipment,subcontracts and their associated costs.

**Drawings** Graphic representations showing the relationships, geometry and dimensions of the elements of the work.

**E**

**Estimated Cost to Complete** The current estimate of the remaining costs to be incurred on a project at a specific point in time.

**Estimated Final Cost** The anticipated cost of a project or project element when it is complete. The sum of the cost to date andthe estimated cost to complete.

**F**

**Fast Track** The process of dividing the design of a project into phases in such a manner as to permit construction tostart before the entire design phase is complete. The overlapping of the construction phase with the designphase.

**Facility Needs Analysis (or Site Analysis)** A visual inspection of a building and on-site improvements for functional or physical deterioration; prepareoptional Replacement Cost Estimate for making recommendations to improve functional and physicaldeficiencies. This may be done by a Development Manager (DM). Contact ACC Construction office forassistance.

**FF&E** (FF&E) is an abbreviation for furniture, fixtures and equipment. Most specifically items classified aspersonal property rather than real property.

**Fiduciary** An individual or organization having duty, created by contract, to act primarily for the owner's benefit inrespect to the trust and confidence involved in the duty and the scrupulous good faith and candor which itrequires.

**Field Order** An order issued at the site by the owner or CM to clarify and/or require the contractor(s) to perform worknot included in the contract documents. A field order normally represents a minor change not involving achange in contract price or time and may or may not be the basis of a change order.

**Final Completion** The date on which the terms of all construction contracts have been satisfied.

**Float** Contingency time that exists on a schedule of activities. It is measured by comparing the early and latedates on a start and finish basis.

**Force Account** Directed work accomplished by the contractor outside of the contract agreement.

**G**

**General Conditions** A section of general clauses in the Contract Specifications that establish how the project is to beadministered. Included are obligations such as providing temporary work, insurance, field offices, etc.

**Guarantee** A legally enforceable assurance by a third party of satisfactory performance, quality or quantity of productsor work during a specific period of time stated and included in the contract in the event the product or workfails to perform properly

**Guaranteed Maximum Price (GMP)** A contractual form of the Design-build system wherein the Contractor or CM establishes a not to exceedmaximum price for the cost of the Work based on an agreed-to scope.

**Guaranteed Maximum Price Construction Management** A contractual form of the Construction Management system wherein the CM establishes a maximum pricefor the cost of the Work based on an agreed-to scope.

**H**

**I**

**J**

**K**

**L**

**Lien, Mechanic’s or Material** The right to take and hold or sell an Owner’s property to satisfy unpaid debts to a qualified contractor forlabor, materials, equipment or services to improve the property. (see Preliminary Lien Notice)

**Lien Release** A written document from the Contractor to the Owner that releases the Lien, Mechanic’s or Materialfollowing it’s satisfaction.

**Life Cycle Cost** Life cycle costs include all costs incident to the planning, design, construction, operation, maintenance anddemolition of a facility, or system, for a given life expectancy, all in terms of present value.

**Liquidated Damages** An amount of money usually set on a per-day basis, which the contractor agrees to pay the owner fordelay in completing the Work in accordance with the contract documents

**Long-Lead Items** The identification given to material and equipment having an extended delivery time and which may beconsidered for early procurement and purchase. Items which would be delivered too late for timelyinstallation if their procurement or purchase were included as part of the procurement for the entirecontract or project.

**Long-Lead Time** The time interval between purchase and delivery of long-lead items.

**Low Bidder** The bidder who has submitted the lowest bid, which is determined to be responsive and responsible for adivision of work described in a bid document, proposal form or contract.

**Lump Sum Fee** A fixed amount that includes the cost of overhead and profit paid, in addition to all other direct and indirectcosts of performing work.

**M**

**Master Schedule** An executive level summary schedule identifying the major components of a project, their sequence anddurations. The schedule can be in the form of a network, Milestone Schedule, or bar chart.

**Mechanics Lien** See “Lien”

**Milestone Schedule** A schedule representing important events along the path to project completion. All milestones may not beequally significant. The most significant are termed "major milestones" and usually represent thecompletion of a group of activities.

**Multiple Prime Contracts** Separate contractors contracting directly with the owner for specific and designated elements of the work.

**N**

**Non-Conforming Work** Work that does not meet the requirements of the contract documents.

**Notice of Award** A formal document informing an individual or organization of successfully securing a contract.

**Notice to Proceed** A formal document and/or point in the project's life cycle authorizing an individual or organization tocommence work under its contract. The issuance of the notice to proceed typically marks the end of aprocurement phase.

**O**

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| **Owner** Although the individual parishes, school, or institutions define the need for each project, raise the funds and otherwise provide all the impetus required to “make the project happen”, and are referred to as the “owner” in this Document, the official, formal Owner is actually the Bishop of the Diocese of Covington. This fact stems from the diocesan role as steward (and legal owner) of the real property and buildings within the diocese, as well as the financial responsibility which the Diocese assumes when projects are funded, even though the funds may be derived from local sources within the parish, school, or institution. Simply put, the courthouse records list the Bishop of Covington as the Owner. |
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**Owner Construction Management** A form of Construction Management that does not use an independent construction managementorganization as a team member. The owner performs all required Construction Management services within-house staff.

**Owner's Representative** The individual representing the owner on the project team. Development Managers (DM) is the Owner’sRepresentative on large projects.

**P**

**Penalty** A punitive measure, usually associated with failure to fulfill a contractual obligation.

**Performance Bond** A pledge from a surety to pay the bond amount to the Obligee (owner or contractor) in the event of adefault in performance of contractual obligations.

**Phased Construction** An incremental approach to construction or design and construction. Each overlapping or sequential phaseor element to have a defined work scope and to be considered as a separate project.

**Plans** Also known as "Drawings".

**See Also: *Drawings***

**Post-Construction Phase** The period following substantial completion.

**Pre-Design Phase** The period before schematic design commences, during which the project is initiated and the program isdeveloped; the planning and conceptual phase.

**Preliminary Lien Notice (also 20-day preliminary notice)** A written notice given to the property Owner where a project is taking place, given by the subcontractorsand any person or company furnishing services, equipment or materials to that project. The notice statesif bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, amechanic’s lien leading to the loss, through court foreclosure proceedings, of all or part of the propertybeing improved may be placed against the property even though the Owner has paid the prime contractorin full. Please contact the ACC Construction office for assistance with Preliminary Lien Notices.

**Prime Contract** A direct contract with an owner. It can be a single contract and/or include the work specified for severalcontracts depending upon division of work.

**Pre-qualification Form** A screening process wherein the ACC gathers background information from a contractor or constructionprofessional for selection purposes. Qualifying considerations include competence, integrity, dependability,responsiveness; work on hand, similar project experience, and other specific owner requirements.

**Prime Contractor** A contractor who has a contract with an owner.

**Professional Services** Services provided by a professional or by an organization that has specific competence in a field ofendeavor that requires professional (and technical) knowledge and capabilities and that meets recognizedstandards of performance.

**Program Management** The practice of professional construction management applied to a capital improvement program of one ormore projects from inception to completion. Comprehensive construction management services are used tointegrate the different facets of the construction process - planning, design, procurement, construction andactivation - for the purpose of providing standardized technical and management expertise on each project.

**See Also: *Construction Management***

**Progress Meeting** A meeting dedicated to the subject of progress during any phase of project delivery.

**Progress Payment** Partial payment of the contract amount periodically paid by the owner, upon approval by the CM, verifyingthat portions of the Work have been accomplished.

**Project** The total effort required in all phases from conception through design and construction completion toaccomplish the owner's objectives.

**Project Budget** The sum or target figure established to cover all the owner's costs of the project. It includes the cost ofconstruction and all other costs such as land, legal and professional fees, interest, and otherproject-related costs.

**Project Cost** The actual cost of the entire project.

**Project Management** The use of integrated systems and procedures by a team of professionals during project design andconstruction. As applied to a construction project, Project Management can be used synonymously withConstruction Management.

**Project Procedures Manual** A detailed definition of the project team responsibilities and authority, project systems, and procedures.

**Project Team** Initially consists of the owner, design professional, and CM. Thereafter, as prime construction contractorsare engaged they are added to the Team.

**Project Team Meeting** A meeting dedicated to all aspects of the project, involving the project team members (owner, designprofessional, CM, contractor(s)).

**Punch List** A list made near the completion of the construction work indicating items of work that remain unfinished,do not meet quality or quantity requirements as specified or are yet to be performed by the contractorprior to completing the terms of the contract.

**Q**

**Quality** The degree to which the project and its components meet the owner's expectations, objectives, standards,and intended purpose; determined by measuring conformity of the project to the plans, specifications, andapplicable standards.

**Quality Assurance (QA)** The application of planned and systematic methods to verify that quality control procedures are beingeffectively implemented.

**Quality Control (QC)** The continuous review, certification, inspection, and testing of project components, including persons,systems, materials, documents, techniques, and workmanship to determine whether or not suchcomponents conform to the plans, specifications, and applicable standards.

**Quality Management** The process of planning, organization, implementation, monitoring and documenting of a system of policiesand procedures that coordinate and direct relevant project resources and activities in a manner that will achieve quality.

**See Also: *Quality***

**R**

**Record Drawings** Drawings (plans), prepared after construction is complete that represent the work, accomplished under thecontract.

**Recovery Schedule** The schedule that depicts action(s) and special effort(s) required to recover lost time in the original MasterSchedule. It can depict activities of any member of the project Team.

**Request for Information (RFI)** A written request from the Contractor to the Owner, Architect, or Engineer for clarification or informationabout the contract documents following contract award.

**Request for Change Proposal** A delineation and/or narrative issued by the CM to the contractor that describes a proposed change to thecontract documents for purposes of establishing cost and time impacts. May also be known as Bulletin,Request for Information, and Request for Quote.

**Request for Proposal (RFP)** A written request from the requestor (usually the Owner or a Contractor) to a contractor, Designprofessional, or Subcontractor for an estimate or cost proposal. The RFP usually contains a specific scopeof work.

**S**

**Schedule of Values** A list of basic contract segments in both labor and material, where each line item consists of a descriptionof a portion of work and a related cost and the sum of the lines of the contract equals the total contractprice. Generally used to determine progress payments to contractor(s).

**Scope** Identification of all requirements of a project or contract.

**Scope Changes** Changes that expand or reduce the requirements of the project during design or construction.

**Shop Drawings** Drawings typically prepared by the contractor, based upon the contract documents and provided insufficient detail that indicate to the designer that the contractor intends to construct the referenced work ina manner that is consistent with the design intent and the contract documents.

**Short Term Construction Activity Plan** The planning and scheduling of prime contractor(s) activities on site, for the short duration or "foreseeablefuture" usually developed on a week-by-week basis using milestones for planning intervals and coordinatedby Construction Management personnel. Also known as Rolling Schedule, Look Ahead Schedule, and ShortInterval Schedule

**Special Conditions (of the Contract for Construction)** Also known as "Supplementary General Conditions".

**See Also: *Supplementary General Conditions***

**Special Professionals** The designation for various professionals, including engineers, architects, designers and other experts, whoprovide expertise in specialized fields.

**Specifications** The detailed written descriptions of materials, equipment, systems, and required workmanship and otherqualitative information pertaining to the work.

**Start-Up** The period prior to occupancy when systems are activated and checked out, and the owner's operating andmaintenance staff assumes the control and operation of the systems.

**Subcontractor (also known as ‘Sub’)** A contractor who has a contract with a prime contractor to perform work.

**Submittals** Transmittals of information as required by the contract documents.

**Substantial Completion** The date, certified by the design professional or CM or both, that a contractor has reached that stage ofcompletion when the owner accepts use of the facility for its intended purposes, even though all work is notcompleted.

**Supplementary General Conditions** Additions and/or modifications to the General Conditions, which are part of the Bid Documents and/orcontract documents.

**T**

**Testing** The application of specific procedures to determine if work has been completed in the prescribed mannerand at the required levels of workmanship.

**See Also: *Non-conforming Work***

**Trade Contractors** Construction contractors who specialize in providing and/or installing specific elements of the overallconstruction requirements of a complete project.

**Trade-Off Study** The study to define the comparative values and risks of a substitution or exchange of a design component.The trade-off can identify both monetary and functional values. Also known as Alternatives Analysis.

**U**

**V**

**Value Analysis** Also known as "Value Engineering".

**See Also: *Value Engineering***

**Value Engineering** A specialized cost control technique, which utilizes a systematic and creative analysis of the functions of aproject or operation to determine how best to achieve the necessary function, performance, and reliabilityat the minimum life cycle cost.

**W**

**Warranty** Assurance by a party that it will assume stipulated responsibility for its own work.

**Work** All construction-incorporating labor, material and equipment required by the contract documents