


**SAN FRANCISCO PUBLIC UTILITIES COMMISSION  
INFRASTRUCTURE CONSTRUCTION  
MANAGEMENT PROCEDURES**

<b>SECTION: SFPUC INFRASTRUCTURE CONSTRUCTION MANAGEMENT</b>	<b>APPROVED:</b> 
<b>PROCEDURE NO: 021</b>	<b>DATE: 6/7/2019</b>
<b>TITLE: CONTRACT CLOSE-OUT (Substantial &amp; Final Completion Certification and Punch List)</b>	<b>REVISION: 1</b>

**1.0 Policy**

Policy compliance activities are (a) acceptance and document signed-off by all responsible parties that the Work has been fully completed in accordance with the Contract Documents, (b) finalization of all paperwork/documentation pertaining to the SFPUC Infrastructure construction contracts, and (c) archiving.

This CM Procedure applies to all personnel working on the SFPUC Infrastructure projects during the construction phase to the extent that their Work is affected by these CM Procedures and does not conflict with specific San Francisco Public Utilities Commission (SFPUC) policies or the contract under which the Work is executed.

**2.0 Description**

This CM Procedure outlines the process by which verification is made of the satisfactory completion of the following Work in accordance with the Contract requirements. These Work items include CM records, construction contract records, Record Documents, and retention of essential project documentation, among other; refer to Attachment 021 – 1, SFPUC Infrastructure CM Project Close-out Check List Guidelines.

**3.0 Definitions**

**3.1 Final Completion**

Final Completion is the date of written acceptance of the Work when all contractual and administrative requirements have been fulfilled including

3.1.2 Punch List/Final Completion is a document, that includes a list of all items of Work and close-out requirements, prepared by the RE and transmitted to the Contractor that must be completed prior to Final Acceptance. Final Contractor Payment is made when the Punch List/Final Completion have been addressed to meet the project design requirements in the contract.

3.1.3 The principle generators of the independent CM team Punch List are the Lead Inspector, Senior Environmental Monitor, OR, FCA, PE and the OE. The Punch List is reviewed and accepted by the RE.

### **3.2 Substantial Completion**

Substantial Completion is the milestone in the progress of the Work, when the Work is sufficiently complete in accordance with the Contract Documents, including completion of start-up services, submittal of warranties, guarantees and record documents; and receipt of a temporary certificate of occupancy, if applicable, issued by the RE so that the Work (or a specified part thereof) can be utilized for the purpose for which it is intended.

A sample memorandum format for “Project Turnover – Substantial Completion” is provided on Attachment 021 – 2.

### **3.3 Final Completion**

Final Completion is the milestone in the progress of the Work when written acceptance of the Work, indicating all contractual and administrative requirements have been fulfilled including remaining Punch List items identified at Substantial Completion, is issued. The date of this milestone is recommended by the RE and approved by the PM.

Subsequent to final payment to the contractor, the RE will prepare a Certificate of Acceptance of the Work and send it to the CMB Manager to sign and send to the Contractor (SF Admin Code Section 6.22(K)). A sample memorandum format for “Project Turnover – Final Completion” is provided on Attachment 021 - 3.

## **4.0 Responsibilities**

### **4.1 Contractor**

The Contractor is responsible for performing and completing the Work in accordance with the Contract Documents, including the successful completion of the items on the punch list prepared by the RE, demobilization from the project site, and the submittal of all required warranties and remaining project documents required by the Contract Documents.

#### **4.2 Environmental Inspector**

The Environmental Inspector inspects and verifies that the status of construction activities comply with the California Environmental Quality Act (CEQA). The Environmental inspector provides Punch List items to the Lead Inspector.

#### **4.3 Lead Inspector**

The Lead Inspector leads and documents the Substantial Completion and Final Completion field inspection construction activities for the RE. These field inspections shall be combined with the other inspection reports into the overall Project Punch List.

#### **4.4 Office Engineer (OE)**

The OE confirms the completion, submittal and acceptance of Contract Document deliverables, including Final Contractor Record Documents, Operations and Maintenance Manuals, equipment spare parts and warranties, as required for Substantial Completion and Final Completion.

#### **4.5 Owner/Operations Representative**

The Owner/Operations Representative shall be present during facility walk-through for Substantial and Final Completion Inspections, Punch List generation, system testing and facility start-up.

#### **4.6 Resident Engineer (RE)**

The RE is responsible for certifying that Contractual Interim Milestones have been achieved. These responsibilities include: reviewing the Contractor's request for Certification of Substantial Completion; issuing required Punch Lists; issuing Notice of Substantial Completion; confirming when the Contractor has satisfied requirements for Final Completion and issues the corresponding certification; submitting a Project History and Lessons Learned Report; and reviewing, organizing and delivering the project files to the PM.

#### **4.7 Project Engineer (PE)**

The PE coordinates the design team participation and inspection for the facility Punch List generation and Final Completion Acceptance of Work.

#### **4.8 Project Manager (PM)**

The PM is responsible for defining Contractual interim milestones and ensuring that all necessary requirements are clearly described in the Contract Documents; manages the final completion of the project; inputs the Lesson Learned reports; and delivers the project files submitted by the RE to the Infrastructure Records Management for archiving.

## **5.0 Implementation**

### **5.1 Contractual Interim Milestones/Substantial Completion**

Contractual Interim Milestones involve an isolated component or part of the Work that is required to be operational or fully restored prior to Substantial Completion or is required to be achieved before critical system shutdowns can occur. The process to be followed for certifying achievement of Contractual Interim Milestones is similar to that to be followed for Substantial Completion.

- 5.1.1 Prior to Substantial Completion a Close-out Meeting shall be initiated. This meeting shall be scheduled when the RE determines that Work is 90% complete based on Daily Inspection Reports and Construction Progress Schedule.
- 5.1.2 Contractor submits formal request for Contractual Interim Milestone Completion or Substantial Completion to the RE in accordance with procedures set forth in the Contract Documents.
- 5.1.3 RE conducts inspection of Work completed by Contractor, determines completeness of Contractor's submittals as required by the Contract Documents, and determines if Work is sufficiently completed to certify either Contractual Interim Milestone completed or Substantial Completion.
- 5.1.4 RE prepares and transmits to the Contractor a Punch List/Substantial Completion of incomplete or non-conforming Work discovered during inspection for the Contractual Interim Milestone Completion or Substantial Completion, items required to be satisfactorily resolved for acceptance. RE will distinguish between those items that must be resolved for the requested completion and those that may be deferred to Final Completion.
- 5.1.5 RE prepares and issues a Notice of Substantial Completion. and issues the "Punch List", refer to Attachment 021-2.

### **5.2 Final Completion**

- 5.2.1 Contractor submits written notice for Final Completion certifying to the fact that: All Work has been completed in conformance with the Contract Documents; all Punch List items outstanding from Substantial Completion have been completed; demobilization and cleanup of the project site(s) has been completed; and the Work is ready for Final Inspection.
- 5.2.2 Contractor shall provide all O&M Manuals and materials and equipment Warranty information for all Contractor supplied/installed equipment (standard Punch List items) to the Project RE who will turn them over to the Operations Representative (Owner/Operator), refer to Attachment 021-3.

- 5.2.3 Final Inspection shall be performed by the RE and CM Team in conformance with Contract Documents as supported by the Contractor's written Notice of Completion.
- 5.2.4 RE verifies Contractor has submitted: all required O&M Manuals, equipment data sheets and spare parts, materials and equipment Warranty information for all Contractor supplied/installed equipment; evidence of releases for all subcontractor and vendor liens, all remaining project documents required by the Contract Documents, including Final Contractor Record Documents; final statement of accounting, certified payroll records and a final change order (if required) showing adjustments to the Contract Cost for all force account work, allowance items and other outstanding change issues; and a request for Final Payment.
- 5.2.5 RE prepares a Notice of Final Completion,
- 5.2.6 The RE shall recommend to City that final payment, including release of all held retention money, be issued to the Contractor.

### **5.3 Project Administration Close-out and Turnover**

- 5.3.1 RE prepares and submits the final Project History and Lessons Learned Report to the PM in accordance with CM Procedure No. 020, Project History/Lessons Learned.
- 5.3.2 PM inputs the final Project History and Lessons Learned Report to the database.
- 5.3.3 ADCS reviews the maintained project files, including electronic and hard copy files and documents, removes duplicate file records, indexes the file records, and delivers the project file records to Central Records Management Center.
- 5.3.4 RE submits to the PM all warranties and final approved O&M Manuals received from the Contractor in compliance with the Contract Documents.
- 5.3.5 RE transmits approved Final Contractor Record Documents to Engineer. These drawings are stamped by RE to read "Certified that these Final Contractor Record Documents represent the facilities as constructed" in accordance with CM Procedure No. 033.
- 5.3.6 After updating the original contract drawing by SFPUC EMB, the PE or Bureau personnel transmits the final drawing version (Record Drawings and As-Builts) to Engineering Archives for reproduction and then to the Owner/Operations Representative stamped Final Project Record Documents.

## **6.0 Other Procedural Requirements**

None

## **7.0 References**

### **7.1 Technical Specifications**

Section 01 77 00 Close-out Procedures

Section 01 78 23 Operations and Maintenance Data

Section 01 78 39 Project Record Documents

### **7.2 SFPUC Infrastructure CM Procedures**

No. 003 – Project Documents and Correspondence Control

No. 004 – Record Documents and Drawing Control

No. 005 – Submittals

No. 010 – Applications for Payment

No. 011 – Change Management Process

No. 017 – Pre-construction and Post Construction Site Surveys

No. 018 – System Testing and Start-up

No. 020 – Project History/Lessons Learned

No. 028 – Construction Quality Management

No. 030 – Daily Inspection Reports

No. 034 – Safety Reporting Procedures

No. 035 - Site Security

No. 043 – Environmental Daily Inspection Reports

No. 045 – Certified Payroll Reports

### **7.3 Others**

None

## 8.0 Attachments

- 021 - 1 SFPUC Infrastructure CM Project Close-out Check List Guidelines
- 021 - 2 Project Turnover – Substantial Completion, Sample Memo Format
- 021 - 3 Project Turnover – Final Completion, *Sample* Memo Format
- 021 - 4 Close-out Package, *Sample* Memo Format
- 021 - 5 Project Schedule and Cost Summary, Sample Memo Format
- 021 - 6 Documents Distribution List for CMP No. 021
- 021 - 7 Revision Control Log

## Attachment 021 – 1

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### Project Close-out Check List Guidelines

No.	Close-out Item	RE Actions	Senior/PM Actions	Procedure Section 7.0 References
1	Punch List	Develops Punch List		
2	Demobilization, Site Restoration & Cleaning	Ensures Contract compliance		
3	Post Construction Survey As Required per Contract	Ensures Contract compliance		
4	Record Documents Maintenance and Submittal (Drawings, Specifications & Schedule	Transmits Final contractor Record Documents to Operations and PE for Final updates		
5	Training	Ensures Contract compliance		
6	Final O&M Manuals (Draft O&M Manuals are needed for Test & Startup)	Transmits final O&M Manuals (hardcopies & CD/DVDs) to Operations		
7	Warranties / Guarantees	Ensures Contract compliance	Transmits all Warranties or Guarantees to Operations	
8	Required QC & Test Documentation	Ensures Contract compliance		
9	Required Health, Safety, Environmental & HAZMAT Reports & Documentation	Ensures Contract compliance	Obtains Final/Close-out Environmental and HAZMAT Reports	
10	Submittals	Resolves all outstanding submittals		
11	Permits	Verifies all permits were obtained or closed out		
12	Final Inspection, Turnover & Maintenance	Obtains Operations Final Inspection Approval. Assists RPM in facility turnover.	Send Notice of Turnover and commencement of maintenance to Operations	
13	Security Requirement (i.e., return badges, photo / video, etc.)	Ensures Contract compliance		
14	Spare Parts & Tools	Ensures Contract compliance; files receipt(s) of spares		
15	Salvaged Material & Equipment	Ensures Contract compliance; files receipts of salvaged items		
16	Borrowed City Material or Equipment	Verifies all borrowed items have been returned or replaced		
17	Change Order for Final Cost if final quantities are different than the estimated quantities in the base bid and Contract Modifications	Finalizes all bid items and Change Order quantities and costs. Issues final Change Order, if needed.	Reviews and approves Change Order	
18	Change Order for Any Final Time Extension Needed	Issues Final Change Order, if needed.	Reviews and approves Change Order	



## Attachment 021 – 1

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### Project Close-out Check List Guidelines

No.	Close-out Item	RE Actions	Senior/PM Actions	Procedure Section 7.0 References
19	CMD Forms 7, 8 & 9; CMD Approval	Obtains CMD approval after Contractor submits Forms	Facilitates CMD approval as needed	
20	SF Office of Labor Standards & Enforcement (OLSE) Approval	Contacts OLSE for approval to close out		
21	SF Office of Economic and Workforce Development (OEWD)	Contacts OEWD for approval to close out		
22	Stop Notices	Monitors status and work with Contractor to resolve as needed		
23	Return of Escrow Bid Docs to Contractor	Approves CAB to return escrow bid docs		
24	Project Schedule & Cost Summary	Draft summary and include in Close-out Package		
25	Close-out Package for CAB	Develops package and sends to CM for review. CM forwards to PM.	Uses information to draft calendar item for Commission acceptance	
26	SFPUC Acceptance		Inserts Resolution into Close-Out Package	
27	Final Payment & Retention Release	Drafts Final Payment and Release of Retention	Sends Close-Out package to CAB for Final Payment and Retention release	
28	Record Retention	Cleans up, stores and archives project files		
29	SFPUC Furnishings, Tools, Equipment, and Vehicles	Inventories and returns or relocates all CMB furnishings, tools, equipment and vehicles		
30	Lessons Learned	Provides write-up and debriefing as requested by PM or senior managers	Evaluates need for Lessons Learned	

Resident Engineer:

\_\_\_\_\_ print name                      \_\_\_\_\_ signature                      \_\_\_\_\_ date

Project Manager:

\_\_\_\_\_ print name                      \_\_\_\_\_ signature                      \_\_\_\_\_ date

CMB Manager:

\_\_\_\_\_ print name                      \_\_\_\_\_ signature                      \_\_\_\_\_ date

Program Director:

\_\_\_\_\_ print name                      \_\_\_\_\_ signature                      \_\_\_\_\_ date

**Attachment 021 - 2**  
**Project Turnover – Substantial Completion - Sample Memo Format**

**MEMORANDUM**

Date:

To: *Name of Owner/Operator*

From: *Name of Senior/Project Manager*

**Subject: *Contract No. and Title of Project(s)***  
***Project Turnover – Substantial Completion***

On date, the SFPUC and the Owner conducted an Inspection of the project and found the project to be substantially complete. As such, the project is henceforth turned over to the Owner for usage and commencement of maintenance and security responsibility. The Punch List Items (attach if desire) identified during the Inspection will be corrected.

O&M Manuals have been transmitted to the Owner. Final Contractor Record Documents and Warranties /Guarantee information will be sent in the near future or by date. Final Project Record Documents to be done by SFPUC Engineering Management Bureau will be sent upon completion.

*(Insert other items worth noting.)*

cc: RE

CM

Project Engineer

Senior/Project Manager

Document Control Files

**Attachment 021 - 3**  
**Project Turnover – Final Completion - Sample Memo Format**

**MEMORANDUM**

Date:

To: *Name of Owner / Operator*

From: *Name of Senior/Project Manager*

**Subject: *Contract No. and Title of Project(s)***  
***Project Turnover – Final Completion***

On date, the SFPUC and the Owner conducted a final Inspection of the project and found no outstanding Punch List.

Final Contract Record Documents were sent on date and warranties/guarantee information are enclosed herewith for your record.

*(Insert other items worth noting.)*

Encl: Warranties/Guarantee Information

cc: RE  
CM  
Project Engineer  
Senior/Project Manager  
Document Control Files

**Attachment 021 - 4**  
**Close-out Package - Sample Memo Format**

**MEMORANDUM**

Date:

To: *Name of Owner/Operator*

From: *Name of Senior/Project Manager*

**Subject: *Contract No. and Title of Project(s)***  
***Close-Out Package***

Transmitted herewith is the Close-out package consisting of the following:

1. Project Schedule and Cost Summary
2. Final Quantities
3. Final Change Order (if needed)
4. Final Payment
5. CMD Forms 7, 8 & 9
6. CMD Approval Memo or Waiver

*(Insert other items worth noting.)*

cc: Document Control Files

**Attachment 021 - 5**  
**Project Schedule and Cost Summary - Sample Memo Format**

**Contract No.:**

**Contract Title:**

**Contractor:**

**Resident Engineer:**

**Project Schedule**

Start Date	
Original Substantial Completion Duration (CD)	
Original Substantial Completion Date	
Original Final Completion Date	
Actual Substantial Completion Duration (CD)	
Actual Substantial Completion Date	
Actual Final Completion	

**Project Cost**

Original Contract Amount	
Contract Modification Amounts (include Final Contract Modification Amounts to be processed)	
Withholdings (i.e., Liquidated Damages)	
Final Contract Amount	

**Contract Modifications**

No.	Description	Time (CD)	Amount, \$
	Total		

## **Attachment 021 - 6**

### **Document Distribution List for CMP No. 021**

The following personnel listed (by project position or responsibility) for Documents Distribution is a general guideline for specific CM Procedure. It is the responsibility of the ADCS to confirm and as necessary revise this list as appropriate for the specific project needs. The OE shall approve these distribution changes.

The guideline for hard copy document distribution is follows:

1. Individual, without CMIS access, who attended a specific project meeting.
2. Individual, without CMIS access, who was mentioned or designated for action in a specific project meeting.
3. Individual, without CMIS access who has management oversight responsibilities to ensure the implementation or completion of project action.

#### **SPECIAL REPORTS:**

- Final Project History/Lessons Learned

#### **DISTRIBUTION:**

##### **Project Field Personnel – Information Only, Not Distribution**

- RE, ADCS, Operations Representative

##### **Construction Management Bureau**

- CM

##### **Program CM Consultant**

- Program CM Consultant Advisor

##### **Project Management Bureau**

- Senior PM, PM

##### **Engineering Management Bureau**

- PE

##### **Bureau of Environmental Management**

- Senior Environmental Coordinator

##### **Others**

- Contracts Administration Bureau

**Attachment 021 - 7  
Revision Control Log**

<b>Revision No.</b>	<b>Revision Date</b>	<b>What changed?</b>
Rev 1	6/7/19	<ul style="list-style-type: none"><li>• Minor format changes;</li><li>• Attachments revised;</li><li>• Revision Control Log updated.</li></ul>
Rev 0	11/14/16	Signed