

## **ARKANSAS BUILDING AUTHORITY PROJECT CLOSEOUT & RETAINAGE RELEASE GUIDANCE FOR DESIGN PROFESSIONAL'S**

Please follow the instructions below to enable ABA to process contractor pay requests for release of retainage and/or final payment.

### **Step One – Prepare for, schedule and perform the Substantial Completion Inspection:**

1. Once it has been determined by the Design Professional, Owners Representative and the ABA the project is substantially complete, prepare the Certificate of Substantial Completion (COSC) which may be conditioned upon completion of an attached punch-list. The COSC must be executed by the Design Professional(s), General Contractor and Agency Project Coordinator. Once the form is completed by the above parties forward the COSC form to the ABA Construction section for final approval.
2. Oversee preparation by the contractor of indexed binders containing applicable Operating & Maintenance Manuals, and Warranty documents, final as-built drawings etc. to be delivered to the agency/owner. Prepare and deliver a closeout letter to the General Contractor itemizing defects noted by participants in the inspection or which were part of the COSC punch list, but have not been completed to date. Also include in the letter any deliverable items the contractor is required to provide prior to final payment.
3. Once the Contractor has completed all the punch list items. Contact all parties to schedule a Final Inspection. Participants are to include the Design Professional(s), General Contractor representative, Agency representative and the ABA Observer.

### **Step Two – Following the Final Inspection:**

1. After it has been determined that the project is complete to include all punch list items, the above noted parties will execute the Certificate of Final Completion. The day verified as the completion date establishes the start date for the Agency to release retainage within 30 days.
2. Prepare retainage release/final payment request package, which must include;
  - A. Final Payment Request executed by the Contractor, A/E and Agency (final payment).
  - B. Contractor's Affidavit (Payment of Debts & Claims, and Release of Liens) for final payment
  - C. Consent of Surety (Performance & Payment Bond) for Final Payment or partial retainage release on phased project.
  - D. Design Professionals Closeout Certification (final payment)
  - E. Certificate of Final Completion (final or phased payment)
3. Deliver the above documentation to the Owner/Agency. The Owner will review/approve the documents and forward them along with the Agency's Final Payment Request to the ABA Construction Section (Attention – Contract and

Construction Manager), 501 Woodlane Drive, Suite G05, Little Rock, AR 72201.  
Please refer questions to the ABA Contracts and Construction Manager (682-5575).

---

The following are paragraphs taken from the ABA Minimum Standards and Criteria effective 6-1-02 and is provided as additional general information on submitting final payment and closing-out projects.

*§ 4-404 LIQUIDATED DAMAGES*

*Any amount of liquidated damages owed by the contractor to the Agency will be calculated by multiplying the “amount per day” of liquidated damages specified in the contract documents by the number of days, which occur between the contract completion date (as amended by applicable change orders) and the date of issue of the certificate of substantial completion date. Deductions for liquidated damages can be deducted from the final pay request. Prior to final payment approval and retainage release, the Agency shall provide to the Construction Section written documentation and justification regarding any assessment or forgiving of liquidated damages. The final payment will be reflective of such actions. The Agency with input from the Design Professional, shall decide on the amount of liquidated damages and the amount of such damages to be included in the project specifications*

*§ 4-500 (C) PROJECT CLOSE OUT FINALS: The contractor shall notify the Design Professional that he is ready for a final review, at which time the Design Professional, with the Agency and representatives of ABA will conduct a final review (walk through); and, if acceptable, accept the facility. All mechanical, (HVACR-Plumbing), Electrical, or other building systems shall be checked and inspected completely at the time of final review prior to project final acceptance. The mechanical system should be balanced once per each major seasonal change by the contractor under the administration of the Design Professional during the first year warranty period as per the project specifications. Written instructions concerning seasonal adjustment should be issued to ABA for use by the applicable Agency building maintenance staff. The Design Professional shall provide ABA with a letter stating that all systems have been inspected and deficiencies listed and corrected.*

*§ 4-500 (D) When the project has reached final completion, the Design Professional shall provide to the Construction Section a CD-Rom with the following information:*

- (1) documents issued during the bid phase including all addenda and negotiated changes;*
- (2) correspondence relating to the project;*
- (3) change orders;*
- (4) plan reviews submittals and responses from SBS;*
- (5) bonds, insurance certificates, proof of advertising, disclosure forms and other documents pursuant to EO 98-04;*
- (6) certified bid tabulation; and*
- (7) all record drawings.*

Please Note: the Agency, project name and ABA project number should be on the front label of CD-Rom with a Table of Contents directory on the inside label.

The CD-Rom shall be in a readable format (pdf, jpg, and tif files are acceptable). Failure to provide the above items may cause delay in the design professional's final payment.