



**North Carolina
Department of Environment
and Natural Resources**

**Operating
P R O C E D U R E S**

Section: Purchase and Services

Subject: Construction

Approved By: DENR Secretary

**Eff. Date: 1998
Revised: 2001
Page 1 of 4**

SECTION: Property and Office Services

Capital Improvement Projects:

1. DENR division/program identifies the need for a capital improvement project and defines scope of project.
2. Division/program submits the necessary worksheets to Budget, Planning and Analysis and Form OC-25 (Proposed Capital Improvement Project) to Purchase and Services for approval.
3. Purchase and Services forwards approved OC-25 to Budget, Planning and Analysis for inclusion in Legislative Budget package and forwards a

- copy of the OC-25 to the State Construction Office for approval and entry into their projects system.
4. After funding for capital improvement project is approved by Legislature, division/program submits letter to Purchase and Services requesting advertisement in State Purchase Directory for designer services.
 5. Purchase and Services forwards request to State Construction Office for project to be advertised in State Purchase Directory.
 6. Submittals for design services are evaluated by representatives of division/program, Purchase and Services and State Construction Office.
 7. Three highest ranked design proposals are presented to State Building Commission for approval.
 8. State Construction Office negotiates and awards design contract to successful designer.
 9. Designer produces construction drawings for capital improvement project with input and review by State Construction Office, Department of Insurance and division/program.
 10. After State Construction Office has approved final construction drawings, the designer will advertise the project for bids by interested contractors.
 11. After all bids are opened and evaluated, the division/program will submit letter to Purchase and Services with their recommendation and bid tabulation.
 12. Purchase and Services forwards letter to State Construction Office requesting award.
 13. Designer draws up construction contract and submits contract package to division/program who in turn forwards to Purchase and Services.
 14. Purchase and Services checks contracts and forwards to State Construction Office for Attorney General approval.
 15. Approved contracts are returned to Purchase and Services and signed by Director of Purchase and Services.
 16. Purchase and Services retains one (1) copy of construction contract and returns others to division/program.

17. Capital project is constructed with the supervision of designer, State Construction Office and division/program.
18. Upon completion of construction, designer provides division/program with “as-built” drawings.
19. Division/program submits contractor and designer evaluation forms to Purchase and Services for sign off and distribution.
20. Division/program ensures new facility/additions are picked up as assets by Controller’s Office.

Informal Construction Contracts:

1. Building construction and renovation projects whose total construction contracts amount do not exceed \$100,000 do not come under the bidding and documentation requirements of General Statute 143 Article 8 and may be classified as **Informal Projects**.
2. Informal contracts and bidding should be considered for use in projects with:
 - Limited statewide contractor interest; such small construction or renovation work is more attractive to local contractors with limited license or resources.
 - Specialized projects limited to specialty contractors.
 - Projects with limited time constraints that precludes use of formal advertising and contracts.
3. Projects may not be subdivided or bid in “stages” to circumvent the \$100,000 limit.
4. Informal contracts are a method of bidding and contracting and **do not** imply that the construction documents, plans and specifications, also be “informal” or general in nature. Also does not imply that plans do not require State Construction Office or Department of Insurance review. The construction documents must adequately describe and detail the work to be performed regardless of contract amount.

5. Differences between Formal and Informal contract procedures are:

- Informal does not require separate prime contracts or formal documental MBE efforts but seeking MBE participation is strongly encouraged.
- Informal does not require a bid bond nor performance and payment bond, although they may be used.
- Informal does not require advertisement in a “statewide” newspaper, although advertisement in a local paper may expand participation and competition.
- Informal does not require the receipt of at least three bids to open. Solicitation of at least three bids with one contractor being an MBE is requested.
- Informal uses fewer and less complicated contractual forms.

6. **Bidding Procedures**

- a. Bid documents should be sent to qualified local contractors. A short form advertisement in the local newspaper could ensure maximum competition in the bid process.
- b. Three (3) bids should be received, but are not necessary. More than three contracting firms should be solicited for bids.
- c. A record of all firms solicited and bids received shall be kept by the owner and available for public inspection to document competitive solicitation of bids. All contracts for projects reviewed by the State Construction Office must be approved for award by the State Construction Office.