
SAO e-news
Office of the State Architect / Columbus, Ohio July 2004

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1. Policy/Process Clarification

The State Architect's Office (SAO) would like to clear up confusion concerning two forms used by this office and one we may use in the future.

The following is the policy of SAO and for all professional design service contracts using the Ohio Department of Administrative Services' contracting model based on Ohio Revised Code Chapter 153: The version of the forms SF 254 (Architect-Engineer and Related Services Questionnaire) and SF 255 (Architect-Engineer and Related Services Questionnaire for Specific Projects) published by SAO or approved versions of those forms will be accepted for at least several additional months.

SAO has not adopted the new federal form SF 330 (Architect-Engineer Qualifications), which the federal government recently implemented. However, our office is considering the use of this form provided that it could be coupled with an SAO-produced supplementary form to resolve certain problems inherent in its use on state projects. At the appropriate time, SAO will publish a draft of this supplementary form for review and comment by state parties.

2. SAO College Comments and Queries

We would like to thank attendants at the April session of SAO College who provided comments regarding SAO policies and procedures and the topics discussed at the seminars. Here are the answers to the questions raised:

Comment 1: "The retainage field on the summary sheet should be set up to stop allotting retainage to the escrow account after the required percentage of retainage for other labor or material is achieved."

Response: The Contractor Payment Request Form is simply an Excel workbook; unfortunately, it's not a sophisticated computer program. Previous payment requests for entered amounts are contained in separate workbooks. Although the form is complex, it is only a series of worksheets linked together by formulas. The workbook does not use macros because of the potential for virus transmission. When certain macros are placed into spreadsheets or workbooks, Excel will display a warning message.

Retainage is withheld starting with the first request for which the total of labor and materials equals or exceeds the total original contract plus change orders to date. Once that pay request is approved, no further modifications will be made to the amount retained, regardless of changes in labor, materials or change orders. The amount calculated in this payment request should be entered on subsequent pay requests into the red-colored cell labeled "Retainage Amount." This procedure is detailed in Number 8 of the instructions accessed by clicking on the first tab of the workbook.

Comment 2: "Is a wholly owned subsidiary with its own tax I.D. considered a subcontractor to the 'prime' owner?"

Response: For the purpose of this response we will interpret that the phrase "prime owner" is intended to mean a Contractor or a Lead Contractor. "The State of Ohio Standard Condition of Contract for Construction" published by the Ohio Department of Administrative Services (i.e. "the Front End") does not recognize or acknowledge the terms: "prime," "prime owner" or "prime contractor". With that provision, the department's interpretation is as follows: a wholly owned subsidiary with its own tax I.D. is not considered a subcontractor to the Lead Contractor or other Contractors.

Comment 3: "Will there be a discussion on budget?"

Response: The State Architect's Office will consider offering a budget-related presentation at upcoming seminars. The topics for the October SAO College will be listed in the Announcements section of an upcoming edition of the Ohio Register.

Comment 4: "The requirement in most scheduling specifications that a schedule for each month be in place and accepted prior to contractor payment is not enforceable. SAO does not require a schedule submission or verification of an updated and approved schedule to be submitted with the payment application. A back charge is provided for in Sections 4.3 and 5.3 of the Standard Conditions. Can the scheduling specification requiring an updated monthly schedule be included as a special condition? Can this be enforced?"

Response: It is important that all contractors agree on a project schedule. Please note that Article 4 of the General Conditions discusses this in detail. Because CPM scheduling takes time to create and review, the project normally commences with a temporary schedule until the detailed schedule is available. In all cases, there should be an approved and accepted schedule by which the team can manage the construction process for the duration of the project.

The purpose of updating the schedule is for the project team to review and understand events and circumstances which affect the project schedule and for the Associate, Owner and Contracting Authority to authorize a schedule update when conditions require adjustments. Schedule adjustments are also required to indicate a delayed or accelerated schedule. Another good use for the schedule adjustment is to illustrate completed work versus work to be performed.

Article 4.3 of the General Conditions describes the periods at which the schedule is to be introduced, developed, monitored and changed. Subparagraphs 4.3.5 and 4.3.6 specifically discuss monthly updates. Good project management includes monthly schedule updates.

The Associate has the responsibility to review the contractor's progress toward completion of scheduled tasks and report progress to the Contracting Authority. The Contracting Authority may authorize the Associate to use the provisions of the General Conditions Sections 4.3 and 5.3. If needed, notice is given to initiate corrective action.

At no time during the project should an unapproved or disapproved schedule be used. Schedule maintenance needs to be a continual project management effort during the project.

Comment 5: "How can we educate the northeastern Ohio architects, consultants and contractors about the new forms, etc.? Can you train a local trainer to administer this type of program?"

Response: We have held several SAO College seminars in the Cleveland region. Due to low attendance, we do not plan to offer regular seminars in northeastern Ohio region in the foreseeable future. However, northeastern Ohio professionals are welcome to attend any of our upcoming seminars held in other areas of the state. We believe that information such as that presented at SAO College is best provided, at this time, by those authorities producing the information.

3. Change in SAO e-News Format

Web site links and e-mail addresses in SAO e-News are no longer actively linked to the Internet. SAO e-News is now published in plain text instead of HTML to prevent viruses from entering the messages while in transit and to improve our e-mail distribution. This should help ensure that SAO e-News is not mistaken for unsolicited commercial e-mail.

4. Link to the July 2004 Ohio Register

The July 2004 Ohio Register has been posted to the Internet and can be viewed and printed at:
<http://www.gsd.das.ohio.gov/sao/orb.html>.

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