



Glossary of Terms

Addendum

Written information added to the bidding documents that adds, modifies, or corrects information included in the original documents. Typically an addendum is issued by the owner to the contractor during the bidding process and becomes part of the contract documents when the construction contract is executed.

Architect

An individual who designs and supervises the construction of buildings or other structures.

Architect-Engineer

An individual or firm offering services as both architect and engineer.

Alternate Bid Proposal

A stated amount of money that is added or deleted from the base bid if the potential change in the project scope, materials or construction methods is accepted.

As-Built Drawings

Completed project documents showing all work changes as marked up by the general contractor.

Bid Bond

Legal document obtained by the contractor that provides security equal to the bid amount.

Bid Form

Standard written form furnished to all bidders to obtain the requested information and required signatures from the authorized bidding representatives.

Bid Opening

The process of opening and tabulating bids submitted within the prescribed bid date/time and conforming with the bid procedures. A Bid Opening can be open (bidders are permitted to attend) or closed (bidders are not permitted to attend).

Bid Price

The stipulated sum stated in the bidder's bid.

Bid Tabulation

Summary sheet listing all bid prices for the purpose of analyzing the bid results. Bid tabulations list the bidding requirements and usually include bid amount, completion time, contract exclusions, bonding rate, etc.

Bidding Period

Time allowed from issuance of bidding requirements and contract documents to the prescribed bid date/time.

Bidding Requirements

Written minimum acceptable requirements set forth by the owner to the contractor during bidding process. The owner reserves the right to reject a bid if the Bidding Requirements are not met.

Blue Prints

Architectural plans for a construction project, including floor plans, footing and foundation plans, elevations, plot plans, and various schedules and or details.

Bonding Capacity

Maximum amount of credit coverage the surety will extend to the company.

Bond

Three-party agreement between the owner, the contractor and the bonding company.

Building Codes

Regulations, ordinances or statutory requirements put in place by governmental agencies associated with building construction practices and owner occupancy, adopted and administered for the protection of public health, life safety and welfare.

Building Envelope

Outer structure of a building.

Building Permit

Written document issued by the appropriate governmental authority permitting construction to begin on a specific project in accordance with drawings and specifications approved by the governmental authority.

Building Process

The process of taking a construction project from conception to final acceptance and occupancy.

Certificate of Occupancy

Issued to owner by the public building officials after their inspection is complete and the project is deemed to comply with the building, fire, and other applicable code provisions.

Change Order

1. The client's written order to the contractor, which authorizes a change in the construction work and contract time and/or amount. Typically, the design professional also signs the change order and then issues it to the contractor.
2. Modifications to the contract documents after the project begins.
3. Written order to the contractor signed by the owner and engineer/architect, issued sometimes even after the execution of the contract, authorizing a change in the work or an adjustment in the contract sum or the contract time. A change order may be signed by the architect or engineer, provided they have written authority from the owner for such procedure and that a copy of such written authority is furnished to the contractor upon request. A change order may also be signed by the contractor if he agrees to the adjustment in the contract sum or the contract time. The contract sum and the contract time may be changed only by change order.

Commercial Construction

Includes the construction of such projects as office buildings, shopping centers, sports complexes, and hotels.

Commissioning

The procedure by which a completed building or manufacturing/industrial process is tested and certified to be in operable condition (the condition is rendered by the plan and design function).

Conceptual Design

The first phase of design, in which drawings are the dominant tool and product. Usually, drawings in this phase are composed of simple, single-line floor plans, building sections, elevations, and site plans.

Conceptual Estimating

A process of assigning cost parameters to a project during the earliest phase of project design, prior to establishment of a defined scope or plan.

Constructability Analysis

A process that studies project plans to determine how efficiently, effectively, and safely the plan can be built.

Construction Documents

The written and drawn materials which are the result of a design team's efforts. They include working drawings, specifications, and other construction documents. They detail all information needed to construct the project and all legal requirements of the project.

Construction Manager At Risk

A sole proprietorship, partnership, corporation, or other legal entity that assumes the financial risk for construction, rehabilitation, alteration, or repair of a facility at a contracted price. The construction manager at risk provides consultation to the client regarding construction during the design of the facility and also through construction. The construction manager at risk can also serve as general contractor.

Construction Management (CM) for Fee

1. A contractual arrangement in which an agent (construction manager) is hired to coordinate the total construction of a project. The basic objective is to integrate the project planning, design, and construction phases.
2. A project management delivery system that differs from the traditional design-bid-build system by utilizing the services of a construction manager who becomes a member of the team of owner-architect-construction manager. The manager's role is to coordinate and communicate the entire project process utilizing his/her skill and knowledge of design and construction to clarify cost and time consequences of design decisions as well as their construction feasibility; and to manage the bidding, award, and construction phases of the project. The project owner's objective in utilizing construction management is to minimize project time and cost while maintaining quality, function, and aesthetics.
3. A project delivery method whereby the client retains a construction manager to provide certain preconstruction expertise including cost estimating, value engineering, scheduling, and coordination of all activities during the construction phase of the project.

Contract Period

The number of days from the specified date of beginning work to the specified date of completion, as outlined in the contract; can be specified in working days or calendar days.

Contract Sum

Total amount payable by the owner to the contractor for performance of work under the contract documents.

Daily Construction Report

A written record of the day's activities; weather conditions, work accomplished, number of personnel for each trade involved, equipment involved, materials received, visitors or inspectors present, and problems encountered.

Design-Bid-Build

Separate organizations with separate contracts with an owner wherein design plans and specs are first prepared by a licensed architect/engineer and then awarded through a competitive bid process to select a contractor to complete the construction. This delivery method proceeds in a linear or sequential fashion; design is completed before bidding, and bidding is completed before construction.

Design-Build

The entity contractually responsible for delivering project design and construction. The Design-Builder can assume several organizational structures, the four most common being a firm that possesses both design and construction resources in-house; a joint venture between designer and contractor; a contractor-led team with the designer in a subcontractor role; and a design-led team with the contractor in a subcontractor role.

Design Development

The period following the schematic design stage, during which detailed scale drawings, specifications, and construction materials lists are produced. This includes detailing floor plans, elevations, and sections and producing drawings that show all building elements including staircases, windows, doors, structural plans, lighting, electrical outlets, electronics, plumbing, and mechanical systems.

Estimating

The process used to calculate the amount of material, labor and equipment required for a given project necessary to complete the work as specified.

Facilities Planning

The effort by which the overall needs and wants of the owner are documented. This documentation includes group and building and reflects spatial relation requirements and general layout.

Fast-Tracking

1. A method of construction management which involves a continuous design-construct operation. Construction work starts before final plans and specifications are complete. For example, excavation may start before superstructure plans and details are finished.
2. Sequencing construction activities so that some portions of the project enter construction before design is completed on other portions.
3. A method in which the design and construction phases overlap, with the construction of phase one beginning before the design of the next phase is complete.

Feasibility Studies

A detailed investigation and analysis of factors influencing the project to determine if the project is viable, such as type of structure, the location of the proposed project, the sources and availability of funding, and availability of utilities are examined and weighed against the financial return expected.

Finance Services

Services include financing and ownership structuring, capital budgeting, and conceptual cost estimating.

General Conditions of the Contract

Contains the governing articles that identify the parties of the contract and define the specific roles and responsibilities. General in scope and consist of standard articles that apply to most construction projects.

As opposed to general conditions of the project which are ancillary or supplemental services (temporary electrical, trash removal, etc.) which are required to do the job, but will not be a part of the job.

General Contractor

1. Responsible for the physical construction of the project.
2. The prime or main contractor.

General Liability Insurance

Protects the contract from claims resulting from the contractor's construction operations that result in bodily injury or property damage to a third party.

Green Construction

An organized effort to design and build buildings using a process and materials which promote environmental sustainability.

Industrial Construction

Includes the construction of such projects (building and production/process lines) as manufacturing facilities, processing plants, power-generating plants, and factories.

Institutional Construction

Projects usually constructed for private or government entity, including schools, colleges, correctional facilities, and hospitals.

Lean Construction

A design and construction administration process based on Japanese "lean manufacturing principles" which is designed to promote efficiency and eliminate waste.

Lump Sum Contract

A contract under which an owner agrees to pay a contractor a specific amount for completing a scope of work (including a variety of unspecified items of work) without requiring a cost breakdown.

Master Planning

1. A plan, usually of a community or city, made to guide or restrict future development.
2. Master plans are developed for new and existing campuses for health systems, senior living communities, and universities which often includes market demographic analysis, volume projections, budgets, schedules, and site planning.
3. An overall scheme for phased work or construction. It combines forecasts of future activities, services and strategic planning with the organized development of physical facilities to meet staffing and space needs projections, typically for a period of 10 to 20 years.

Mechanical Installation

Installation of mechanical systems (i.e. HVAC) on the machine and process equipment in an industrial project.

Negotiate

Process to allow the owner and contractor the opportunity to come to an agreement about the project costs and contractual arrangements.

OSHA

Occupational Safety and Health Administration

Owner's Representation

Complete Owner's Representative services, from project concept through completion, are offered including acting as an owner's single source of responsibility for all project related needs and leading the planning, design, and construction phases of the project.

Performance Bond

A written form of security issued by an insurance company or bank which guarantees satisfactory completion of a project by a contractor.

Plan Submittal

Submission of construction plans to the city or county in order to obtain a Building Permit.

Plans

A term used to represent all drawings including sections and details; and any supplemental drawings for complete execution of a specific project.

Pre-Qualifications

Based on the contractor's financial stability, experience, or any other qualifications the owner chooses to include.

Program Management

Delivering a project or projects from concept through completion using a team of experts whose sole focus is obtaining the owner's goals. Program management combines the ability and resources to define, plan, implement, and integrate every aspect of the comprehensive program.

Programming

The early stages of a project, during which the architect and owner discuss the goals, needs, and function of the project; design expectations and available budget; and pertinent building code and zoning regulations. The architect then prepares a written statement setting forth design objectives, constraints, and criteria for the project, including special requirements and systems and site requirements.

Project Manager

An individual designated by the contractor to be responsible for coordinating time, equipment, money, tasks and people for a specific project.

Project Schedule

A schedule wherein activities are assigned a duration and sequenced in a logical order.

Proposal

A written offer from a bidder to the owner to perform the work and to furnish all labor, materials, equipment and/or services for the prices and terms quoted by the bidder.

Punch list

1. A list of incomplete or unacceptable items, which ideally is compiled when the project is 99 percent complete. The contractor should perform its own punch list prior to the A/E review; however, it is the A/E's list that generally is referred to as the punch list.
2. Record of deficiencies found during the inspection that must be corrected or completed before the project is accepted.

Purchase Order

A written document issued by a buyer to a seller to purchase materials, services, equipment or supplies at agreed upon prices.

Quality-Assurance/Quality-Control (QA/QC) System

A documented system that specifies the procedures to be followed to measure and document the quality of the construction and certifies compliance.

Quality Management

The development, implementation, and administration of the quality-control system by the contractor.

Real Estate Services

Services range from site selection and analysis to assistance in acquisition all the way through to securing the necessary approvals.

RFP (Request for Proposal)

A written invitation (usually the owner or a contractor) to a contractor, design professional or subcontractor to submit an estimate or cost proposal for a project.

Schedule

A plan for performing work.

Schematic Design

Scaled floor plans, building sections, elevations, and site plans. Schematic designs almost always include outline specifications indicating the types of engineering systems, glazing (glass), and doors and may include three-dimensional perspectives of the exterior as well as models of the entire building or portions of it.

Scope of Work

Chronological division of work to be performed under a contract in the completion of a project.

Site Plan

Drawings that provide an overhead perspective on how buildings, parking areas, and other facilities would appear on a site. A site plan might also show service routes, landscaping, site zoning, sidewalks, expansion forecasts, neighboring streets, and other buildings.

Specifications

Detailed written descriptions of building systems, materials and fixtures to supplement and add specificity to the architects' and/or engineers' drawings.

Subcontract

A legal document between the prime contractor and another contractor or supplier for the satisfactory performance of services or delivery of material as set forth in the plans and specifications for a specific project.

Subcontractor

A qualified subordinate contractor to the prime contractor.

Supplier

An individual or firm who supplies and/or fabricates materials or equipment for a specific portion of a construction project but does not perform any labor on the project.

T&M (Time and Materials)

Agreement in which a contractor is paid on the basis of actual costs of direct labor, actual costs of materials/equipment utilized, and an agreed upon amount to cover overhead and profit.

Transmittal

A written document used to identify information being sent to a receiving party.

Value Management

1. Substituting building types, systems, materials or finishes that reduce costs without compromising objectives and needs. The process exposes potentially hidden building costs that may not have been anticipated for the building's operations.
2. The process in which the design is analyzed to reduce the project cost without sacrificing the needs of the owner.

Vendor

One that sells materials or equipment not fabricated to a special design.