

CHAPTER 1

ALABAMA DIVISION OF CONSTRUCTION MANAGEMENT ORGANIZATION AND AUTHORITY

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A. ABBREVIATIONS and DEFINITIONS

As used in this manual the following words, phrases, and abbreviations shall have the following meanings, respectively:

1. **ABRFA:** Alabama Building Renovation Finance Authority.
2. **ACIFA:** Alabama Corrections Institution Finance Authority.
3. **AMHFA:** Alabama Mental Health Finance Authority.
4. **AWARDING AUTHORITY:** A governmental entity, public corporation or private entity authorized by the Code of Alabama to enter into agreements and contracts for the design and construction, repair, or improvement of public buildings and property. This term is interchangeable with "Owner" for publicly and privately funded projects.
5. **COMMISSION:** The former State of Alabama Building Commission.
6. **DCM:** The State of Alabama Division of Construction Management.
7. **DESIGN PROFESSIONAL:** The Alabama registered architect, engineer, or architectural or engineering firm employed to design the construction of, or improvements to, a building, facility or property. The **Lead Design Professional** is the architect, engineer, or architectural or engineering firm under contract with an Awarding Authority/Owner.
8. **ELECTRONICALLY-SIGNED DOCUMENTS:** When electronically-signed documents are required in this Manual, such e-documents must be submitted using DocuSign PowerForm links available from DCM’s website. Alabama

Administrative Code 355-20-1 **requires the following**, including but not limited to a system that is encrypted and captures: a) the IP address of participants, b) the date and time stamp of all events, c) all web pages, documents, disclosures, and other information presented and d) what each party acknowledged, agreed to, and signed. Note: Cut-and-pasting an image of a signature in a Word document or PDF, or scanning and emailing a signed document, do not meet all requirements.

9. **DIRECTOR:** The Director of DCM.
10. **FULLY LOCALLY-FUNDED PROJECT:** A project for which the funding is totally derived from the resources of the local Awarding Authority/Owner (no state funds or state bond issue funds are involved).
11. **HOTELS/MOTELS:** Any public inn or lodging house of 15 or more bedrooms, in which transient guests are lodged for pay.
12. **K - 12:** Public and private school systems providing education in levels of kindergarten through the twelfth grade.
13. **LEA:** Local Education Authority.
14. **MOVIE THEATERS/MOVING PICTURE THEATERS:** Any building in which moving pictures or electronic-format movies are featured regularly for charge of admission.
15. **O/A AGREEMENT:** Agreement Between Owner and Architect - the contract through which an Awarding Authority/Owner employs the professional services of a Design Professional. The term "Agreement" is interchangeable with "O/A Agreement".
16. **HIGHER/POSTSECONDARY EDUCATION:** All education that takes place after twelfth grade, including but not limited to public and private colleges, universities, trade schools and institutes.
17. **PSCA:** The Alabama Public School and College Authority.
18. **PSCA-FUNDED PROJECT:** A project for which the funding is partially or fully derived from PSCA funds.
19. **PUBLIC WORKS LAW:** Title 39 of the Code of Alabama, 1975, as amended.
20. **SCHOOLS/SCHOOLHOUSES:** Any building or other structure erected or acquired by the public schools of Alabama and also shall mean any private building in which 25 or more persons are congregated regularly for the purpose of instruction in any branch of knowledge.
21. **SDE:** The Alabama State Department of Education.
22. **STATE BUILDING and CONSTRUCTION:** All buildings and other structures erected or acquired by or on behalf of the State of Alabama or any of its agencies or instrumentalities.

- 23. STATE BUILDING CODE:** The body of building standards published by code writing organizations which has been adopted by DCM as minimum building standards applicable to any new construction, addition, renovation, modification of mechanical, electrical, plumbing systems, sitework and generally any and all work on state-owned property and/or using state funds, on public (including charter) and private K-12 schools regardless of funding sources, on public higher/postsecondary education schools, on hotels/motels and movie theaters. The Americans with Disabilities Act (ADA) Standards portion of the State Building Code is applicable to municipal and county-funded/owned projects.
- 24. TECHNICAL STAFF:** The full-time staff of architects, engineers, reviewers, administrators, inspectors, support personnel, and contract personnel employed to carry out the policies and duties of DCM on a daily basis.

B. ABOLITION of the ALABAMA BUILDING COMMISSION

The Alabama Building Commission was created by Act No. 128 of the 1945 regular session of the Alabama Legislature. Act No. 290, also of the 1945 regular session, authorized and directed the Alabama Building Commission to promulgate and enforce a code of minimum building standards for state building and construction, school houses, hotels, and moving picture theaters. Act No. 766 of the 1978 regular session required the Alabama Building Commission to adopt, promulgate and enforce a state building code containing energy conservation measures to be used in all future construction or remodeling of buildings which are constructed with state appropriated funds. Act No. 435 of the 2015 regular session of the Legislature abolished the Alabama Building Commission effective October 1, 2015 and all powers, authority and jurisdiction of the Building Commission, including but not limited to those authorities currently established in Sections 16-1-2.1 and 16-2.2, 16-16-10(o)(2) and (p), 34-14B-1 to 34-14B-10, 39-2-2(f)(1), 41-9-160 to 41-9-165, 41-9-170 to 41-9-174, 41-9-243, 41-9-542, 41-10-271, 41-10-364, and 41-16-72(3)(a) through (f) were transferred to the Division of Construction Management within the Department of Finance.

C. ORGANIZATION and OPERATION of THE ALABAMA DIVISION OF CONSTRUCTION MANAGEMENT

DCM is a division of Real Property Management, which is an agency within the Alabama Department of Finance.

Pursuant to the "Alabama Administrative Procedures Act" (Acts 1981, No. 81-855, p. 1534, '1.), DCM adopts rules which it publishes in The Alabama Division of Construction Management Administrative Code. DCM maintains a full-time Technical Staff, headed by a Director, through which DCM's powers, duties, rules, and policies are carried out on a daily basis.

To obtain information from, or make requests of DCM or its Technical Staff, including requests to adopt, amend, or repeal rules of the administrative code, the public should write to:

Email: feedback@rpm.alabama.gov

Mail: Director, Alabama Division of Construction Management
PO Box 301150
Montgomery, AL 36130-1150

Overnight Delivery: Director, Alabama Division of Construction Management
770 Washington Ave, Suite 444
Montgomery, AL 36104

D. POWERS and DUTIES of the ALABAMA DIVISION OF CONSTRUCTION MANAGEMENT

1. DCM has full power and authority to provide for and supervise the planning, design, construction, renovation, and/or improvement of state buildings and property, including entering into contracts as necessary to implement this power and authority and to acquire land for the location of such state buildings (see Title 41-9-141 for specific authority).
2. DCM is authorized and empowered to make and adopt all necessary rules, regulations and plans for its own guidance and for the proper conduct of the duties imposed upon it.
3. DCM is authorized and directed to adopt and enforce a State Building Code and to keep the code updated and consistent with acceptable architectural and engineering practices. The State Building Code is to include an energy conservation code for state buildings, including public schools.
4. DCM is responsible for reviewing plans and specifications for compliance with the Americans with Disabilities Act (ADA) Standards prescribed by the State Fire Marshal for public buildings and facilities which includes municipal and county-owned projects. DCM is authorized to construe and interpret such standards and to adopt and enforce rules and regulations prescribing additional standards. (See Title 21-4-5 & 6 for authority and responsibility shared with the State Fire Marshal.)
5. DCM may appoint and dismiss any officers, employees and agents including competent architectural and technical employees as may be necessary to effectuate its powers and duties. All employees of DCM are subject to the provisions of the merit system.

E. PROJECTS REQUIRED to be SUPERVISED and ADMINISTERED by DCM

DCM reviews and administers public construction and improvement projects assigned to it by legislative acts or state Directors, authorizing and funding specific construction projects or programs. In general, the Technical Staff reviews, administers, and inspects construction and improvement projects and provides periodic inspections per the following:

1. PSCA-Funded or Fully Locally-Funded State Agency and Department Projects: administered by Plan Review Division, Contract Administration Division and Project

Inspection Division. Supervised by Project Management Division when assigned by state Directors.

2. PSCA-Funded and other Bond-Funded Public K-12, Public University and other non-ACCS Projects: administered by Plan Review Division, Contract Administration Division and Project Inspection Division.
3. Fully Locally-Funded Public Universities: administered by Plan Review Division and Project Inspection Division.
4. Fully Locally-Funded Public (including Charter) K-12 Projects: administered by Plan Review Division and Project Inspection Division. Note: Lead Design Professionals submit O/A Agreements, amendments, construction contracts and change order documents to the SDE for full review. SDE then forwards a copy of the documents to DCM's Contract Administration Division. If PSCA money is added to a project that began as fully locally-funded, contract administration transfers from SDE to DCM's Contract Administration Division.
5. Private K-12, Hotel/Motel and Movie Theater Projects: administered by Plan Review Division.
6. County and Municipal-Owned Projects: administered by Plan Review Division for Americans with Disabilities (ADA) Standards compliance only.

EE. PROJECTS for which DCM SERVICES may be CONTRACTED:

For any projects where either no DCM services or limited DCM services are required, an Owner may choose to contract for DCM plan review, construction inspection, and/or for DCM contract review services. Any projects to be inspected by DCM, must also have plans and specifications reviewed by DCM to ensure uniformity of code application on the project.

F. ORGANIZATION and OPERATION of the TECHNICAL STAFF

The Director manages the daily operations of the Technical Staff and the preparation, publication, and maintenance of this Manual of Procedures. The Technical Staff is composed of four divisions providing the following services and functions:

1. **Plan Review Division:**
 - a. Evaluates and recommends codes, code revisions, or code supplements as published by code publishing organizations to be adopted (with modifications) by DCM for inclusion in the State Building Code.
 - b. Enforces the State Building Code and other regulations through required review of proposed construction plans, specifications, and related documents for projects on property within DCM's jurisdiction which includes any new construction, addition, renovation, modification of mechanical, electrical, plumbing systems, sitework and generally any and all work on state-owned property and/or using state funds, on hotels/motels and movie theaters, on public (including charter) and private schools regardless of funding sources, including all K-12, and all public universities. Reviews municipal and county-

owned project submittals for ADA Standards compliance only.

2. Contract Administration Division:

- a. Supervises and administers project contract documents to ensure compliance with state laws, DCM rules and procedures, and other regulations.
- b. Conducts required reviews, approvals, and processing of agreements, amendments, construction contracts, change orders, invoices and related documents for any new construction, addition, renovation, modification of mechanical, electrical, plumbing systems, sitework and generally any and all work on state agencies and departments, on partially or fully PSCA-funded and other bond-funded projects. Note: Lead Design Professionals submit fully locally-funded public (including charter) K-12 contract documents to the SDE for full review. SDE then forwards a copy of the documents to DCM's Contract Administration Division. If PSCA money is added to a project that began as fully locally-funded, contract administration transfers from SDE to DCM's Contract Administration Division.

3. Project Management Division:

- a. Supervises and administers state department projects assigned to DCM to ensure compliance with state laws, DCM procedures and other regulations.
- b. DCM project architects assist planning for the construction, repair, remodeling, enlargement, renovation, furnishing, refurbishing, improvement or relocation of buildings, structures, and facilities for state departments, boards, bureaus, commissions, agencies and offices.

4. Project Inspection Division:

- a. Conducts required pre-construction conferences and inspections of projects under construction to ensure acceptable building practices, code compliance and conformance with contract documents.
- b. In conjunction with the Design Professional and Awarding Authority/Owner, DCM Inspectors establish substantial completion for building occupancy.
- c. Conducts required pre-construction conferences, inspections and substantial completions which are limited to any new construction, addition, renovation, modification of mechanical, electrical, plumbing systems, sitework and generally any and all work on state-owned property and/or using state funds, on public K-12 schools, and on public universities.

G. DCM USER FEES

Pursuant to Section 41-4-355 of the Code of Alabama, 1975, as amended, and Administrative Rule 355-16-1 Collection of User Fees, DCM assesses and administers fees for (1) Plan Review, (2) Permit for pre-construction conferences and inspections during construction, and (3) Contract Document Administration.

All fees may be paid online at www.dcm.alabama.gov/user_fees.aspx. Processing charges are \$4.00 for ACH electronic check or 3% + \$2.00 for credit card payment.

Physical checks should be made payable to “Finance- Construction Management”. Please reference the DCM Project Number on the check, if available.

Mail: Finance- Construction Management
PO Box 301150
Montgomery, AL 36130-1150

Overnight Delivery: Finance- Construction Management
770 Washington Ave, Suite 444
Montgomery, AL 36104

State agencies may arrange payment by inter-agency funds transfer. Fees for PSCA-funded projects may be paid by transfer from PSCA.

Outstanding accounts are expected to be paid within one hundred twenty (120) days.

The following fees are not owed for fully locally-funded public and private K-12 projects and fully locally-funded four-year public University projects with both an estimated cost of \$750,000.00 or Less and a contract awarded on or after 10/01/22 for capital improvement or alterations, additions, repair, or maintenance of heating, ventilation, and air conditioning systems or any alterations, additions, repair, or maintenance of a roof; ***all such projects are still subject to DCM plan reviews, and all such public K-12 and public University projects are still subject to DCM pre-construction conferences and inspections.***

- Determination of whether or not a project is in the \$750,000.00 or Less classification for Plan Review Fees is based on the estimated cost of the entire project including all phases and bid packages. If the total estimated cost of all phases and bid packages is greater than \$750,000.00 for a fully locally-funded public or private K-12 project or a fully locally-funded four-year public University project, then the Plan Review Fee is owed.
- If total of bids received for all phases and bid packages exceeds \$750,000.00 for a fully locally-funded public K-12 project or a fully locally-funded four-year public University project, then a Permit Fee is owed.

1. Plan Review Fee

Basic Plan Review Fee: The basic Plan Review Fee includes Schematic, Preliminary, Final, and 1st Revised Final reviews along with review of any minor changes after plans have been approved.

The Plan Review Fee Worksheet (available on DCM’s website at www.dcm.alabama.gov/user_fees.aspx) calculates the total basic plan review fee based on the estimate of construction cost.

If the submittal is for a Schematic or Preliminary review, the total fee on the worksheet may be paid in two parts. The Initial payment due at the time of the first submittal is 50% of the total, up to a maximum of \$500.00. Payment in full must be received for log-in of the Final review submittal.

All addenda and ASI's are an integral part of the construction documents and must be submitted to the Division of Construction Management for review and approval upon publication. Change orders with plans and all value engineering for a construction contract also require review. These types of reviews are covered under the basic fee.

The basic Plan Review Fee is subject to the Final Reconciliation of Fees at the close of construction.

Optional 65% Intermediate Review Fee: In addition to the Schematic, Preliminary and Final Review submittals, the Owner may request an Optional 65% Intermediate Review of all systems of plans and specifications that are less than 100% complete. The fee for this review is 65% of the Basic Plan Review Fee figured using the current estimate of project construction cost. This Intermediate review is not included in the Basic Plan Review Fee. The Optional 65% Intermediate Review Fee must be accounted for separately from the Basic Plan Review Fee. Payment of an Optional 65% Intermediate Review Fee covers one Optional 65% Intermediate Review.

Additional Revised Final Review Fee: Each Additional Revised Final plan review submittal (2nd, 3rd, etc.) will incur the Additional Revised Final review fee of 15% of the calculated basic plan review fee until plans are approved. Payment must be received before the review is logged in.

Rebid/ Revised Scope Fee: Changes to plans for rebid or a significant revision in the scope of work may incur an additional fee based on the reviewers' evaluation of the extent of the changes during the course of the review. The fee options for rebid or revised scope are as follows:

- Changes are minimal or cosmetic. Submittal is reviewed as a change to approved plans covered under the basic fee.
- Changes are more substantial. Submittal is reviewed similar to an Additional Revised Final review with the 15% Additional Revised Final Review Fee.
- Changes are so extensive that a new complete review is required. A full basic fee will be required based on the current estimated construction cost.

ADA Review Fee: Plans and specifications for projects owned and locally-funded by Municipal and County governments must be submitted for review of compliance with Americans with Disabilities Act (ADA) Standards only. The fee for this service is 50% of the calculated basic plan review fee, up to a maximum of \$500.00. If more than one Revised Final submittal is required, the 15% Additional Revised Final Review Fee will apply.

Refund of Unearned Portion of Fee: When the Owner terminates a plan review after the submittal has been logged-in to DCM's system, the unearned portion will be refunded to the Owner. The earned and unearned portions of the fee are determined by the percentage of completed reviews and by the percentage of uncompleted reviews to the total number of required reviews (architectural, fire protection, mechanical and/or electrical) for the submittal.

2. Permit Fee

Basic Permit Fee: The basic Permit fee covers the pre-construction conference

and the required project inspections by the DCM Inspector during construction. This fee becomes due when a construction contract or self-performance letter is received by DCM and must be paid before the Pre-Construction Conference is scheduled with the DCM Inspector.

The Permit Fee Worksheet (available at www.dcm.alabama.gov/user_fees.aspx) calculates the basic Permit fee based on the Construction Contract Amount or estimate of cost for self-performance.

The basic Permit Fee is subject to the Final Reconciliation of Fees at the close of construction.

Permit-Reinspection Fee: The Reinspection Fee is \$1,500.00 per occurrence. It may be charged if (a) the contractor has not completed the work required for the particular inspection or (b) the inspection is cancelled / rescheduled without proper notice.

- a. Benchmarks are required for certain inspections as listed in the Pre-Construction Conference Checklist. If the minimum requirements are not met for the scheduled inspection, a Reinspection Fee will be charged to the contractor and must be paid before the Inspector returns to complete the inspection.
- b. Inspections may be cancelled or rescheduled at the Inspector's availability with a required minimum of 48 hour notice by email from the Design Professional to all parties including contractor, Awarding Authority/Owner, Inspector and DCM's main office at inspections@rpm.alabama.gov. If appropriate notice is not given, a Reinspection Fee may be charged and must be paid before the next inspection.

Refund of Unearned Portion of Fee: When the Owner terminates a construction project after the permit fee has been paid, the unearned portion of the fee will be refunded to the Owner. The earned and unearned portions of the permit fee are determined by the percentage of completed inspections and by the percentage of uncompleted inspections to the total number of required inspections for the project.

3. Contract Document Administration Fee

Basic Contract Document Administration Fee: The basic Contract Document Administration Fee (CDA) applies to contracts administered by the DCM office and must be paid before the associated contract is reviewed. This includes review of all Owner/Architect Agreements and Construction Contracts for state agencies, partially or fully PSCA-funded and other bond-funded projects, and the related amendments, change orders, service invoices and pay requests. This fee does not apply to fully locally-funded K-12 public school or fully locally-funded university projects. The Basic CDA Fee includes review of the original submitted document and one revision. The CDA Fee for the Owner-Architect/Engineer Agreement is due before the agreement is reviewed by DCM (see exception below) or when a fully locally-funded project O/A Agreement is converted to PSCA. The CDA Fee for the Construction Contract is due before the contract is reviewed by DCM or when a fully locally-funded project Construction Contract is converted to PSCA.

When PSCA funds are added to an existing Owner/Architect Agreement by amendment or to an existing Construction Contract by DCM Form 9-E, the CDA fee is due with the modification documents and must be paid before the documents are reviewed. The CDA fee for modifications is based on the amount of Construction Cost of Work funded by PSCA.

The Contract Document Administration Fee Worksheet (available on DCM's website at www.dcm.alabama.gov/user_fees.aspx) calculates the basic CDA fee:

¼ of 1% (.25%) of the Project Budget for the Owner/Architect Agreement, or Project Budget funded by PSCA.

¼ of 1% (.25%) of the Construction Contract Amount for the Construction Contract, or for PSCA-funded projects, the PSCA severable payments portion.

The basic Contract Document Administration Fee is subject to the Final Reconciliation of Fees at the close of construction.

Refund of Unearned Portion of Fee: When the Owner terminates an O/A Agreement of Construction Contract after the Contract Document Administration (CDA) fee has been paid, the unearned portion of the fee will be refunded to the Owner. The unearned portion of the CDA fee is the total amount minus the earned portion of the CDA fee. The earned portion is determined by the following:

Part 1 (35%) Contract Portion of the CDA Fee shall be earned upon the full execution of the contract, or an amendment adding PSCA funding.

Part 2 (65%) Administration Portion of the CDA Fee shall be earned at the same rate as the Architect's invoiced percent complete for Service E.

Open-End Owner/Architect Agreement Exception: Open-End agreements at inception have no specific project amount in order to determine the fee. Because one of the purposes of this type of contract is to aggregate services for multiple smaller projects, the CDA-O/A fee for an Open-End Owner/Architect Agreement is billed annually for the fees associated with projects amended to the contract during the preceding year ending June 30.

Additional Revised Contract Document Fee: The Basic Contract Document Administration Fee includes review of the original submitted document and one revision. When more than one revision is required, an additional fee of \$200.00 will be charged to the design professional for each additional submittal until the document is executed. Contract documents subject to this fee include, but are not limited to, the following:

- Agreement Between Owner and Architect/Engineer
- Amendment to Agreement Between Owner and Architect/Engineer
- Architect's/Engineer's Statement for Services
- Construction Contract
- Contract Change Order
- Certificate of Substantial Completion
- Contractor's Application and Certificate for Payment

4. Final Reconciliation of Fees

User Fees are paid at various points during the construction process using the best estimate of final construction cost at the time the fee is due. At the close of construction, the final reconciliation process recalculates each applicable basic fee using the actual final construction cost to determine whether any amount is due from/ to the Awarding Authority/Owner.

Project Awarding Authorities/Owners have the final responsibility for payment of all fees. The Awarding Authority/Owner may ask the Design Professional to remit any fee payment as a reimbursable expense. The Awarding Authority/Owner may also require the contractor to include one or more fees in the bid through the project specifications. At Final Reconciliation, the differences from the recalculation of all applicable fees are combined to arrive at a net amount either due from or refunded to the Awarding Authority/Owner.

As soon as the final construction contract amount or self-performance cost has been determined by final change order or final contractor's pay request, the Awarding Authority/Owner or the Design Professional should report that amount to DCM by email or through the online payment portal. DCM will then prepare and send the Final Reconciliation of Fees Statement invoice to the Awarding Authority/Owner.

The final cost of the work for the Final Plan Review Fee shall be adjusted to include the lowest bid on any additive unawarded alternates from the bid tab. The final cost of the work for the Final Permit Fee and the Final Contract Document Administration Fee shall be adjusted for any change orders and for any sales tax credit received by the Awarding Authority/Owner.

The Final Reconciliation Worksheets that will be used by DCM to recalculate the fees may be found on DCM's website at www.dcm.alabama.gov/forms.aspx.

H. THIS MANUAL of PROCEDURES

This manual sets forth procedures to effect compliance with the rules of the Alabama Division of Construction Management Administrative Code and state laws and regulations applicable to construction and improvement projects.

References in this manual to "Title", "Chapter", "Article", and/or "Section" pertaining to legal authority are to the Code of Alabama, 1975, as amended. References to "Construction Management Rules" or "DCM Rule" are to the Alabama Division of Construction Management Administrative Code, 1997, adopted, published, and amended in accordance with the Alabama Administrative Procedures Act. The policies and procedures contained in this manual are derived from or have been developed to enforce laws codified in the Code of Alabama, 1975, as amended and DCM rules.

A Note of Caution: This manual is dedicated to the requirements and procedures of DCM. Before proceeding with preparation of bid documents or submittals to DCM, the Design Professional should determine whether sources of project funding (such as federal funding) or regulations particular to the Awarding Authority/Owner may require modification or supplementation of DCM requirements and procedures. If modification or supplementation is necessary, contact the Technical Staff for guidance as to the appropriate method.