



# PROJECT CLOSEOUT PROCESS & PROCEDURES

MARY HENDERSON-REPS, CONTRACT ADMINISTRATOR  
DENVER INTERNATIONAL AIRPORT  
FEBRUARY, 2016

- Closeout is defined as being **“The period that represents the time when the Project Manager reviews the Project, verifies that all the Contract Document requirements have been met and the systems or facility is functioning as intended.”**
- The Closeout Process begins at the “beginning” of the Job.
- Five Steps to the Process:
  - Step 1 – Issuance of Closeout Checklist to Contractor
  - Step 2 – Substantial Completion
  - Step 3 – Final Completion
  - Step 4 – Advertisement
  - Step 5 – Retention Billing



- The Closeout Checklist should be reviewed by the DIA Project Manager (PM) and Contract Administrator (CA) and edited for any Non-Applicable Items.
- The CA issues the Closeout Checklist (CM-75) within the Bid Documentation. The purpose of this change is to **begin the Closeout Process at the beginning of the Project.**
- Contractor reviews and provides a Serial Letter stating which Items they believe are Non-Applicable or can be closed and why.
- Contractor provides required Closeout documentation throughout the Project or Task.
- Originals must be provided for the Consent of Surety and all Subcontractor Lien Releases.



- The City & County of Denver General Conditions (Yellow Book) defines Substantial Completion as “the Work has progressed to the point that the City can take beneficial occupancy or utilize the Work for the purpose that is intended, and the Work complies with all applicable coded and regulations, including if required, issuance of a Certificate of Occupancy, or certificate of suitability for use from appropriate governmental agencies, as determined by the Manager in his sole discretion.”
- Contractor will request Substantial Completion on their company’s letterhead accompanied by the Punch List (CM-74) prepared during the Walk-thru with the Project Managers, Designer of Record, and Quality Assurance Inspector (QA).
- CA will fill out the Request for Substantial Completion to be routed for signatures.





- **Final Completion will be issued when the following criteria have been met:**
  - Contractors portion of the Closeout Checklist is complete.
  - All Original Subcontractor Final Lien Releases have been provided by the Contractor.
  - All RFI's have been answered and Submittals have been provided, accepted and the Logs have been closed.
  - All NCR's and Deficiencies have been addressed, remediated, and accepted by QA and DIA's PM.
  - All Contractors Change Requests and Change Orders have been issued and executed, including the Final Reconciliation Change Order if applicable.
  - Deductions have been made for liquidated damages or work not provided if applicable.
  - Final Completion inspection has been made and there are no open items on the Final Punch List.
  - Final Punch List has been signed off by the PM, DOR, and QA.
  - Disposition of all failing tests have been agreed to or remediated and signed off.
  - All Permits have been signed off, closed and provided to the Project Management Team (PMT).
  - All Owner training has been completed to DIA's end user satisfaction.
  - All Spare Parts and O & M Manuals have been turned over to DIA if applicable.

- When Final Completion and Acceptance has been issued and executed, the CA will Request Advertisement from Business Management Services (BMS).
- Contractors Consent of Surety from their Bond Issuance company must be included. This can be attained with the executed Substantial Completion document.
- Advertisement will be scheduled and run for 21 consecutive days giving any parties with claims to the Project an opportunity to file for Claim.
- A Notice of Settlement is issued by BMS and notification sent to the PMT.



- Final Billing or Retention billing may be requested by the Contractor when the following criteria have been met:
  - Executed Final Completion.
  - Contractor’s Settlement Publication Advertisement has expired.
  - Sales Tax Exemption Certificate has been provided.
  - Original Final Lien Releases have been provided.
  - Completed Closeout Checklist.
  - Original Consent of Surety has been provided.
  - Contractors Affidavit of Completion has been provided.
  - Statement of Accounting from the Contractor has been provided.
- Billing for Retention is essentially the same as all other billings, but must be billed separately from all other Tasks or billings.
- Once Retention has been billed and paid, other than any Warranty work that arises, the Project is considered closed.





DENVER INTERNATIONAL AIRPORT

**DEN**





# Project Closeout: Legal Issue

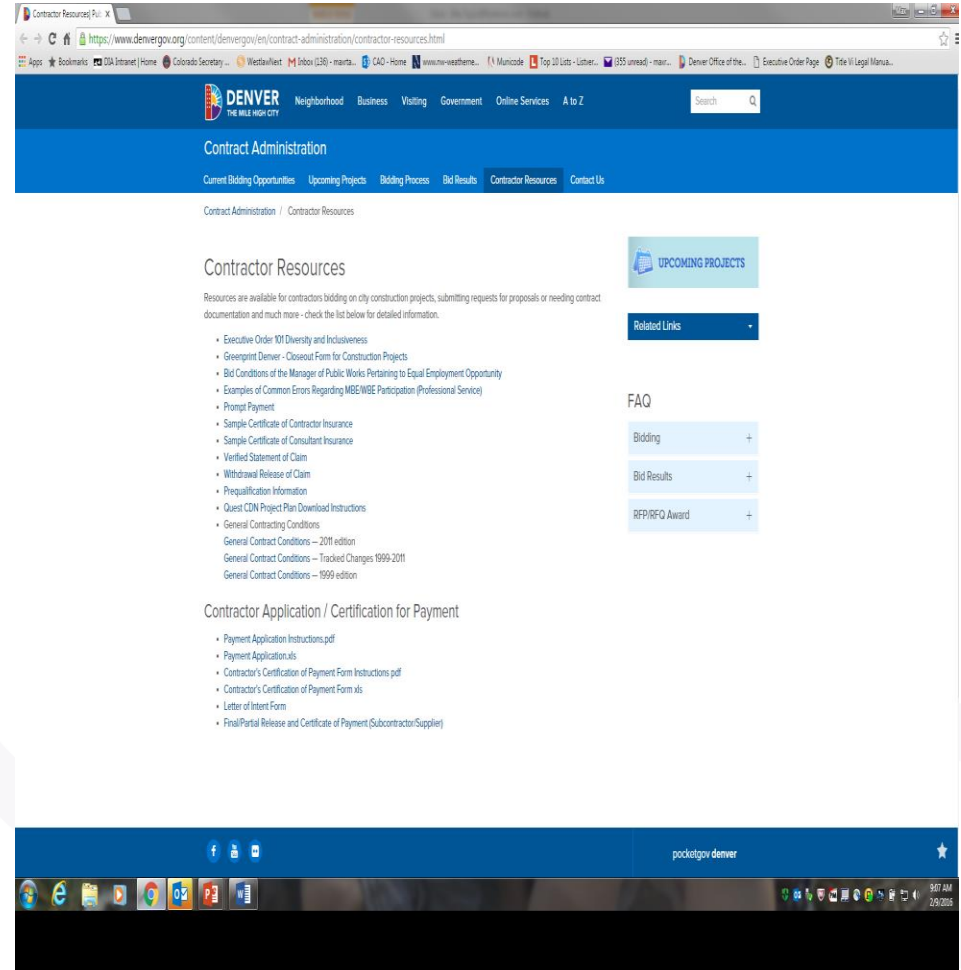
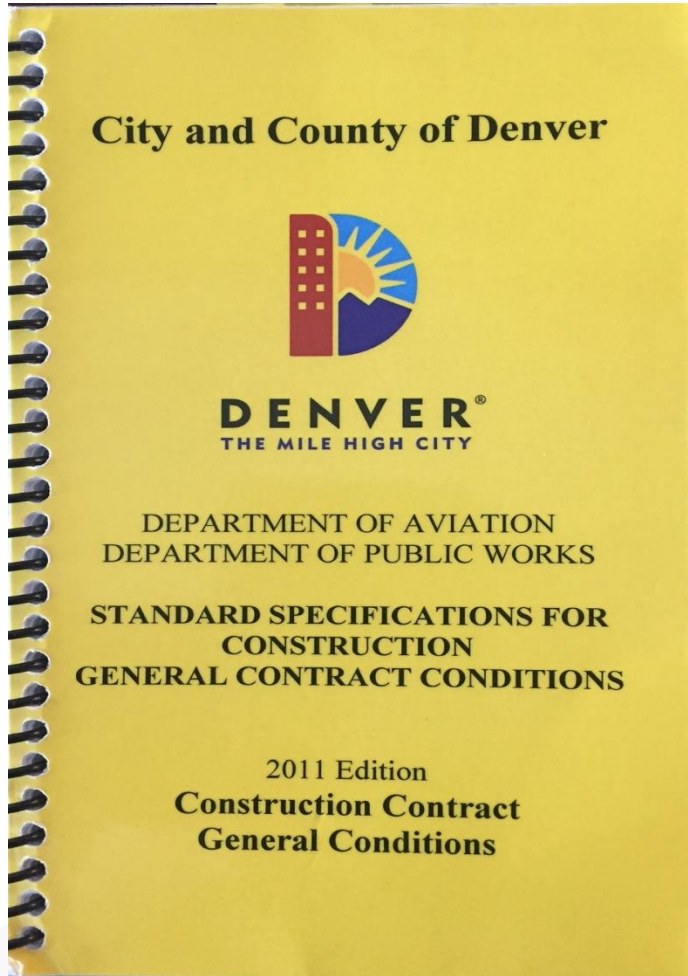
Max Taylor, Assistant City Attorney  
DENVER INTERNATIONAL AIRPORT  
Tuesday, February 09, 2016

# Legal Overview of CCD - DIA

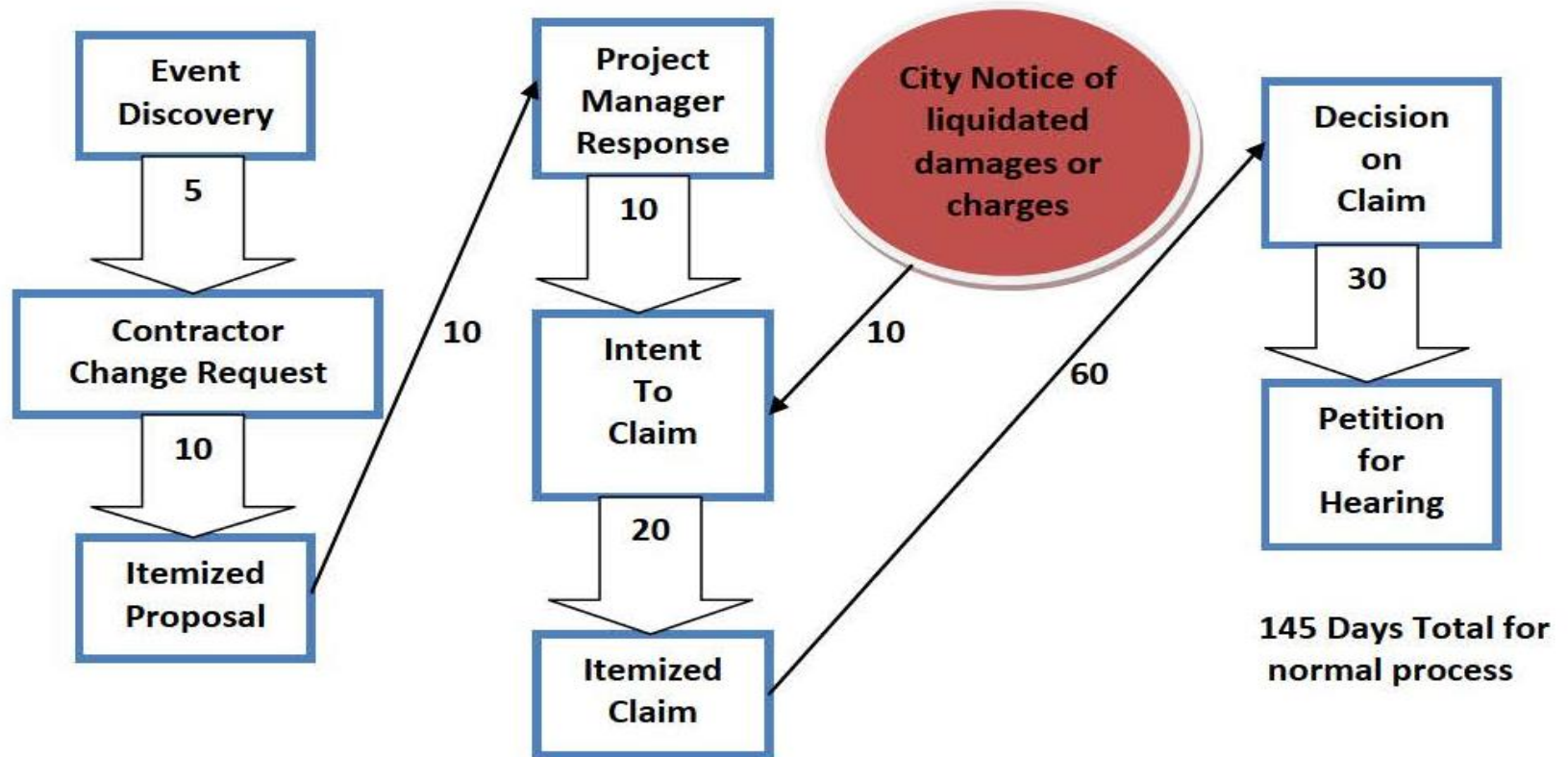


- Denver is a Home Rule City
- Rules and Regulations
- Bond Ordinance
- Yellow Book

# Yellow Book – General Conditions



# Title 12 – Contract Claims for Adjustment and Disputes



# Title 13 – Disputes



- GC 1301 – Disputes
  - D.R.M.C. § 5-17
  
- Subcontractors
  - Verified Statement of Claim C.R.S. § 38-26-107
  - Final Settlement & Publication
  - Bonding Over/Around C.R.S. § 38-26-108



# Title 15 – Performance and Payment Bonds

- 1502 Performance Bond
- 1503 Payment Bonds

# Title 16 – Insurance and Indemnification



- 1601 Insurance
- 1602 Defense and Indemnification

# Title 17 – Inspection and Defects



- 1701 Construction Inspection by the City
- 1702 Authority of Inspectors
- 1703 Observable Defects
- 1704 Defects – Uncovering Work
- 1705 Latent Defects
- 1706 Removal of Defective Materials and Work





# Title 18 – Warranties, Guarantees and Corrective Work

- 1801 Contractor’s Warranties, Guarantees and Correction of Work
- 1802 Performance During Warranty Period

# Title 19 – Substantial Completion of the Work

- 1901 Contractor's Notice of Substantial Completion
- 1902 Inspection and Punch List
- 1903 Certificate of Substantial Completion
- 1904 Right of Early Occupancy or Use

# **Title 20 – Final Completion and Acceptance of the Work**

- 2001 Clean-Up Upon Completion
- 2002 Final Completion and Acceptance of the Work
- 2003 Final Settlement



# Project Goals

**DSBO** - Denver Small Business Office

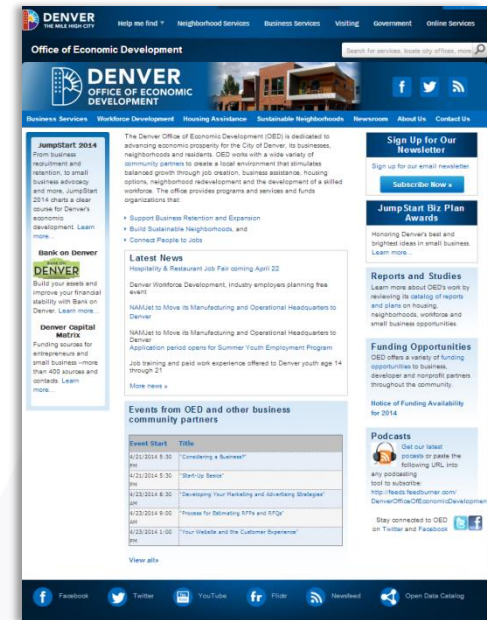
**SBE** - Small Business Enterprise

**MWBE** - Minority / Women Owned Business

**Goods and Services**

**DBE** - Disadvantaged Business Enterprise

**ACDBE** - Airport Concession Disadvantaged Business Enterprise



[www.denvergov.org/oed](http://www.denvergov.org/oed)

# Prevailing Wage D.R.M.C. § 20-76, et seq

- D.R.M.C. § 20-76 & Yellow Book Title 10
- Contract Exhibit
- Failure to Pay: YB 1005
- Practical Information:
  - LCP Tracker
  - Online submittals
  - Weekly payroll
  - System verifies classifications
- Contact: (720) 913-5000



Max Taylor, Assistant City Attorney

303-342-2564

[max.taylor@flydenver.com](mailto:max.taylor@flydenver.com)