

Final Construction Costs for DSA Certification

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DSA recently issued Bulletin 12-01 and Form DSA-168 as a first step toward implementing a more streamlined process for tracking and reconciling final construction cost data. In the near future, the process for approving and documenting changes to the work of DSA approved plans and specifications during construction will not require the submission of the actual formalized contractor change orders for the project. Instead, the final DSA Plan Check fees will be based on the final construction costs as reported by the school district using the new DSA-168 form. Although districts still currently need to submit all change orders on their projects, the second step of this streamlining process will completely eliminate this requirement and move to narrow the needed submissions to only construction change documents (not change orders) which pertain to the three DSA plan check areas—structural, fire/life safety, and accessibility. Construction change documents might be stamped and signed sketches, RFI responses, or new drawings. Until this second step is completed, districts with projects that are not closed out and certified through DSA should refer to DSA Bulletin 12-01 to determine whether they will need to submit the new DSA-168 form.

Some simple tips for insuring that you are not being assessed an increased DSA fee amount.

Districts should report only construction costs and not “soft costs.” So costs associated with such items as inspection, testing, design, attorney or district management of projects, and furnishings and equipment, all commonly called as soft costs, are not considered by DSA to be part of the basis for their fee calculation. For most school projects, the DSA fee calculation will be based on the total construction contract(s) needed to complete the work shown in the DSA approved plans and specifications. For multiple prime jobs, this would be the sum of all the trade contracts needed to accomplish the work contained in these documents. But for design-build or lease-leaseback projects, be sure to not report the design cost from consultants or design-build subs, any financing costs, and any builder supplied furnishings and equipment.

Reporting change order costs to the DSA approved plans.

As noted above, districts must currently submit all construction related change orders and the new DSA-168 forms on their projects. Deductive change orders removing work from the approved documents are not used by DSA for fee calculation reduction purposes and should not be deducted from the total construction costs reported on the DSA-168 form. Recently, some districts find it more convenient to add routine maintenance work to contracts underway which would not be plan checked by DSA. A strong argument can be made that these costs should not be included in the total construction cost, since it was not a part of the DSA plan check effort. Another complicated area relates to the filing of claims and/or lawsuits. Since the DSA-168 form must be filed before certification can be obtained, a claim or lawsuit might prevent a precise calculation of the final change order(s) to a project, which can sometimes result in a lengthy delay to certification. In these cases, it is recommended that the district use its best judgment as to what the final change order amount will be.

What about Construction Management costs?

The DSA's IRA A23 is instructive. For jobs using Construction Management Multiple Prime or Construction Management at Risk, fees and costs analogous to those of a general contractor should be reported—items such as site supervision, construction fencing, and temporary construction water and power, and other standard general conditions items. However, when a project or construction manager is acting as a district representative, just as a district employee might, the associated cost or fee should not be reported.

Naturally, these same views of what is a construction cost and what is not can help Districts accurately fill in line 15 of the DSA-1 when plans and specifications are first submitted to DSA, and pay only the plan check fee required.

Dick and Ed serve on the Board of the Association of California Construction Managers