

# 9 Closeout

Closeout generally takes place when construction is substantially complete. Work should be completed to the Client's satisfaction and the required information is transferred to the end user. It also includes finalizing project documentation and costs.

An effective, efficient, and successful "closeout" of a project starts at the beginning stages of construction and must be closely monitored until post occupancy to ensure that all aspects of the process are completed accurately. This process can help mitigate FP&C's risk with claims, warranties, maintenance, and future renovations.

## 9.1 Construction Closeout

For Small Projects, the PM sends the Contractor a letter documenting the completion date, warranty obligations, etc. The PM puts the project into closed status in the PMIS.

For Large Projects, construction closeout is initiated by the Contractor via a written closeout request to the PM, which certifies the work is substantially complete. As outlined in the General Conditions, Substantial Completion, the PM with support from the design team develops a Punch List (Appendix 9.1a) and sends it to the contractor. The contractor then completes Punch List items, and the PM can utilize the Construction Closeout Checklist (Appendix 9.1b) as a tool. Once the Punch List is complete and the other items required by the contract documents are delivered, the contractor provides notification to the PM.

The PM should review the documentation submitted by the contractor and respond in writing regarding any deficiencies. Once the PM agrees that the Contractor has sufficiently completed the Punch List and the other Closeout Checklist items (e.g., As-Built Drawings, Final Lien Release(s), and O&M Manuals), the PM signs the Closeout Checklist and notify the Contractor that they may submit a final payment application, including request for release of retainage.

## 9.2 Final Pay Request

The PM is responsible for ensuring the contractor provides all the required documentation as outlined in the general conditions, in order to process final payment. These documents include and are not limited to a Waiver and Release of Liens, a Consent of Surety to Final Payment, Verification and Approval from the Department of Labor (DOL) to release final payment.

## 9.3 Project Closeout

The PM is responsible for making sure the project team and contractor (e.g., IT, Procurement, FMO) completes their activities using the Project Closeout Checklist (Appendix 9.3).

## 9.4 Final Project Report

For Large projects, the Project Manager is responsible to file the Final Project Report (Appendix 9.3a & Appendix 9.3b) within 90 days after the end of the warranty period for all board approved projects of more

than \$250k, including new construction, expansion and significant remodel for reuse. The final project report will identify any significant changes in scope, budget, schedule, funding plan, operating cost impact, or other cost considerations since issuance of the construction contract award report, and an explanation of any significant circumstances surrounding project completion or its discontinuance.

For Large Projects, the PM also is responsible for scheduling a workshop with the project team and stakeholders to review the completed Final Project Report and discuss lessons learned<sup>8</sup>. Results of the workshop should be shared with the department.

## **9.5 Project Records Closeout**

The PM is responsible for finalizing the project files within 30 days of the end of the warranty period.

The PM puts the project on hold and/or closes out the project in the PMIS and informs the stakeholders that the project is closed.

## **9.6 Post Occupancy Report**

A Post Occupancy Report (appendix 9.6) shall be filed by the PM not more than 90 days after substantial completion of any board-approved projects of more than \$1.0 million, including new construction, expansion, and significant remodel for reuse.

## **9.7 Componentization Report**

A Componentization Report when required is to be completed by the PM in accordance with the accounting and administrative manual, section 100: accounting and finance, componentization of plant assets no. A-27<sup>9</sup>, for all new construction and major renovations.

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<sup>8</sup> Refer to Section 18 – Lessons Learned

<sup>9</sup> <http://www.alaska.edu/controller/acct-admin-manual/acct-and-finance/>