



Design-Build Project Notices to Proceed, Commencement of Design and Construction Work

Alternative Delivery Program



Notices to Proceed, Commencement of Design and Construction Work

This is a self-directed overview
of Design-Build contracting
based on Version 6.0 of the
Programmatic Documents





Training Goals:



1. Understand the conditions for issuing notices to proceed, and commencement of design and construction work
2. Become familiar with the related submittal requirements
3. Review the events and conditions constituting default

Table of contents



1	Notices to Proceed	5-7
2	Issuance of Notice to Proceed 1	8-11
3	Issuance of Notice to Proceed 2	12-16
4	Commencement of Design Work	17-19
5	Early Issuance of NTP2	20-21
6	Commencement of Construction Work	22-25
7	Events and Conditions Constituting Default	26-27
8	Resources	28-29



1. Notices to Proceed (NTP)





CONTRACT REFERENCE

DBA
Section
8.1.1.3

CONTRACT REFERENCE

DBA
Section
8.1.1.4

Notices to Proceed

NTP1

- *Written notice from TxDOT to DB Contractor authorizing commencement of specific work activities.*

NTP2

- *Written notice from TxDOT authorizing DB Contractor to proceed with the remaining work activities pertaining to the Project.*

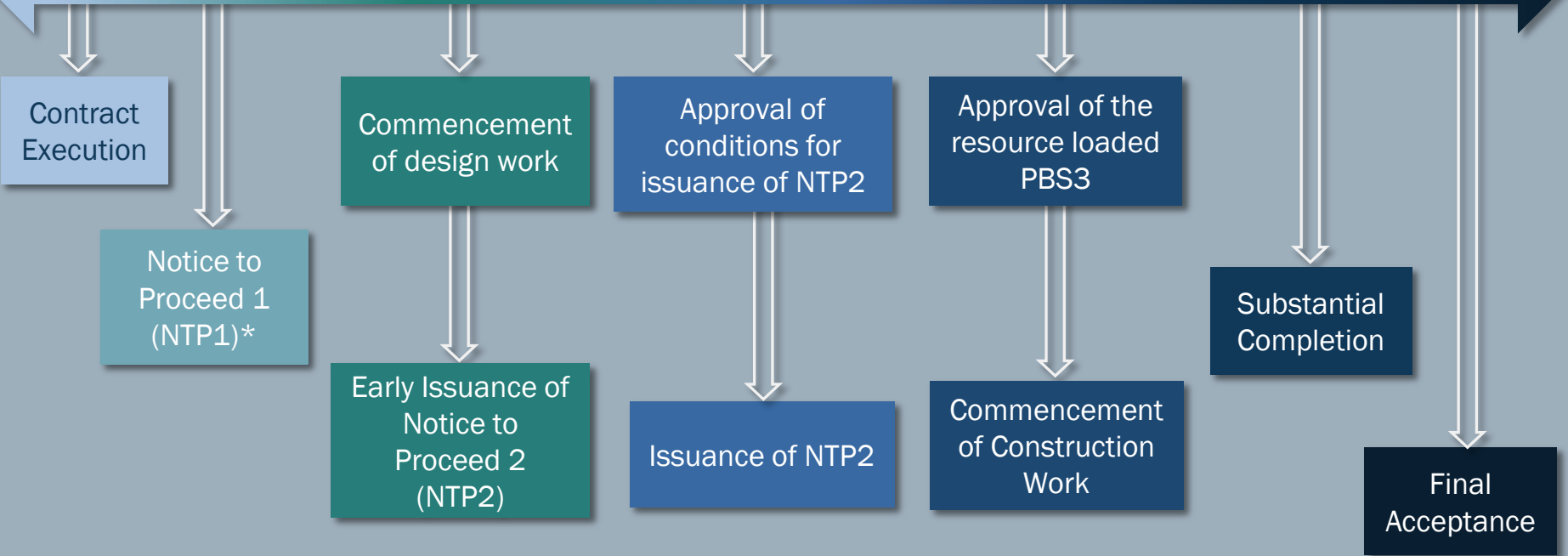
Notices-to-Proceed and Milestones



IMPLEMENTATION

Procurement

Operations and Maintenance



(*)Typically, the same day or shortly after Contract Execution



2. Issuance of Notice to Proceed 1





■ Issuance of NTP1 authorizes the DB Contractor to:

1. Perform the portion of the Work necessary to obtain TxDOT's approval of the component parts, plans and documentation of the:
 - Project Management Plan (PMP) – includes eleven (11) component plans
 - Quality Management Plan (QMP) – includes Professional Services and Construction Quality Management Plans (PSQMP & CQMP)
 - Project Baseline Schedule 2 (PBS2) including the Schedule of Values (SOV)
2. Enter TxDOT Project Right of Way (ROW) to:
 - Conduct surveys and site investigations, Geotechnical, Hazardous Materials and Utilities investigations
 - Commence negotiating & entering into Utility Agreements with Utility Owners
 - Commencement of ROW acquisition services*

(*) ROW Acquisition will be by TxDOT for new DB Projects.



CONTRACT REFERENCE
DBA
Section
4.2.2

Maximum Payment Amount

- Time Charges begin with issuance of NTP1.
- The maximum amount which DB Contractor may submit for payment under the DB Agreement unless and until NTP2 is issued.

CONTRACT REFERENCE
DBA
Section
5

Bonds, Guaranty, and Insurance

- NTP1 Payment and Performance Bond Amounts.
- Minimum Tangible Net Worth Amount.
- Insurance coverage amounts.

Delay in issuing NTP1



If not issued within **[180] days** after the Proposal Due Date and DB Contractor did not cause delay:

- The Price shall be subject to adjustment

If not issued within **[365] days** after the Effective Date and DB Contractor did not cause delay:

- Parties may mutually agree to allow time extension for issuance of NTP1 and Price adjustment via Change Order
- DB Contractor may terminate the DB Contract (DBC)



6. Issuance of Notice to Proceed 2



Conditions for Issuing NTP2



- Conditions for issuing written notice of NTP2 include but are not limited to:
 - TxDOT's approval of all the component parts, plans and documentation of the:
 - PMP • QMP • PBS2
 - Office space, field office(s) and lab(s).
 - Executed Subcontracts



- Issuance of NTP2 authorizes DB Contractor to perform all other Work relating to the Project
 - TxDOT transfers maintenance to DB Contractor



- DB Contractor is not authorized to conduct and complete final design and begin construction of the Project until environmental review process is complete.



▪ Other Submittals:

- DB Contractor shall prepare and submit to TxDOT the Baseline Element Condition Report (BECR).
- TxDOT's approval of the BECR is part of the Maintenance Management Plan (MMP).
 - Submit BECR no later than 60 days prior to NTP2

▪ NTP2 Bond Amounts

- NTP2 Performance Bond Amount is defined in the DBA
- NTP2 Payment Bond Amount is defined in the DBA

Delay in issuing NTP2



270
Day
Delay

- If NTP2 is not issued within 270 days after the Proposal Due Date, and DB Contractor did not cause delay

90
Day
Delay

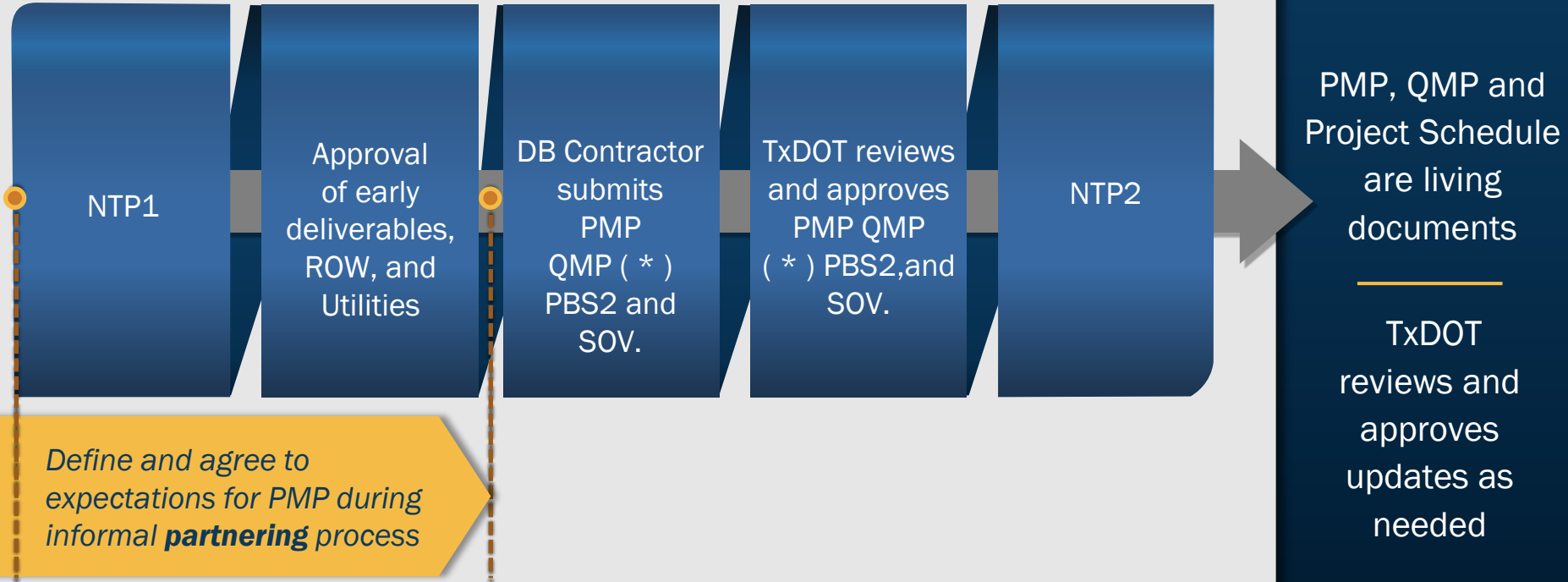
- If NTP2 is not issued within 90 days after the issuance of NTP1, and DB Contractor did not cause delay

**Price is
subject to
adjustment
via Change
Order**

Summary of NTP1 to NTP2 Workflow



Legend: (*) PSQMP & CQMP included in submittal





3. Commencement of Design Work



Conditions for Commencement of Design Work



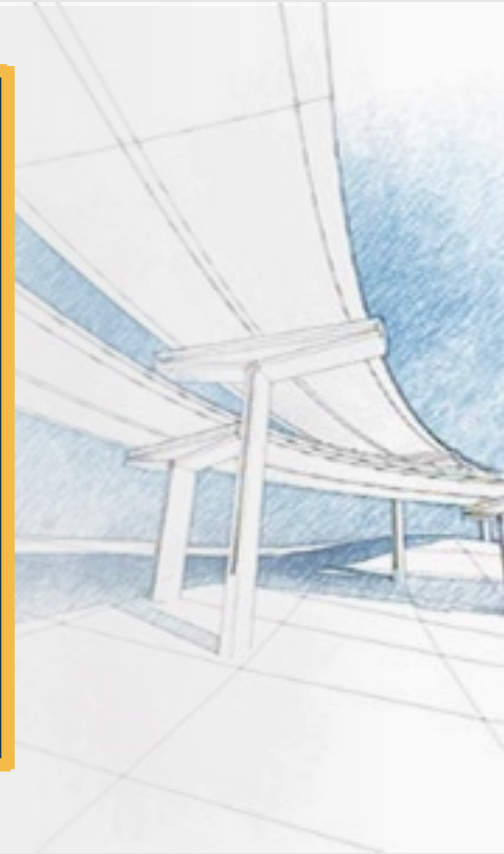
- DB Contractor may begin Design Work prior to issuance of NTP2 if TxDOT provides confirmation that DB Contractor has satisfied all of the conditions for issuance of NTP2 relating to the Design Work to be performed.
- Required Submittals and Approvals:
 - TxDOT approval of the Professional Services Quality Management Plan (PSQMP)
 - Obtain and maintain in effect Performance and Payment Bonds
 - Insurance Certificates
 - Approval of the portion of the Schedule of Values identifying the Design Work





CONTRACT REFERENCE
DBA GC
Section
8.1.1.5

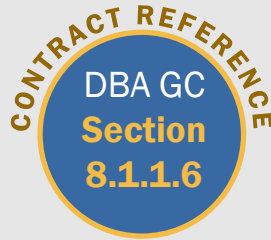
- Examples of Design Work Submittals for TxDOT's review and comment:
 - Preliminary Pavement Design Report
 - Preliminary Geotechnical Engineering Report
 - Corridor Structure Type Study and Report
- DB Contractor is not entitled to payment for any Work prior to issuance of NTP2 in excess of the NTP1 Maximum Payment Amount.





5. Early Issuance of NTP2





- DB Contractor may request that TxDOT issue NTP2 prior to satisfaction by DB Contractor of any particular conditions to NTP2, such as
 - PMP
 - PBS2
-
- Early Issuance is in TxDOT sole discretion.
 - DB Contractor is not permitted to commence Construction Work until:
 - All conditions to the Commencement of Construction Work have been satisfied.

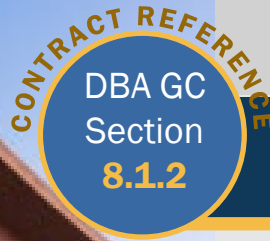


7. Commencement of Construction Work





Conditions for Commencement



- **DB Contractor shall not commence Construction Work until:**

- TxDOT has issued NTP2

- **Submittals and TxDOT approval:**

- PMP
 - Comprehensive Environmental Protection Plan (CEPP)
 - Hazardous Materials Management Plan (HMMP)
- QMP
 - CQMP
- Project Baseline Schedule 3 (PBS3)
- Builder's Risk Insurance



Conditions for Commencement

CONTRACT REFERENCE

DBA GC
Section
8.1.2

Continued:

- All representations and warranties
- Written policy establishing ethical standards of conduct
- There exists no uncured DB Contractor default
- Written notice that DB Contractor has satisfied all conditions to commencement of construction
- All the conditions for commencement of construction as they relate to Utility Adjustments have been satisfied
- Comply with the standard of care requirements regarding Utility Work



Conditions for Commencement



DB Contractor shall satisfy all the following conditions:

- All governmental approvals
- ROW Cleared
- ENV Approvals
- Pre-construction requirements
- Performance and Payment Bonds, and issuance policies
- Executed subcontracts
- The Guarantees, if any, required under the DBA
- PMP component plans and proposed Deviations
- All submittals required under the contract documents
 - *Examples: Final Pavement Design Report, and Final Geotechnical Engineering Report*



8.

Events and Conditions Constituting Default





Conditions for Default include but are not limited to:



DB Contractor fails to begin Work within 30 days following issuance of:

NTP1 or
NTP2



DB Contractor fails to satisfy all conditions to:

- Commencement of the Construction Work
- Commence the Construction Work with diligence and continuity



9. Resources





- Alternative Delivery Projects
Programmatic Documents:
 - Design-Build Agreement
 - Design-Build Agreement
General Conditions (Items 1-9)
 - Design-Build Specifications (Items 10-28)
- Notice to Proceed¹ Letter Template
- NTP₁_NPT₂ Transition Checklist

TxDOT Website:



<https://www.txdot.gov/business/road-bridge-maintenance/alternative-delivery/resources.html>



HELP
#EndTheStreakTX

End the streak of daily deaths on Texas roadways.

TxDOT.gov (Keyword: #EndTheStreakTX)



#EndTheStreakTX Toolkit

