Construction Contracts Training Document

Presented by: OnIndus

Table of Contents

Overview

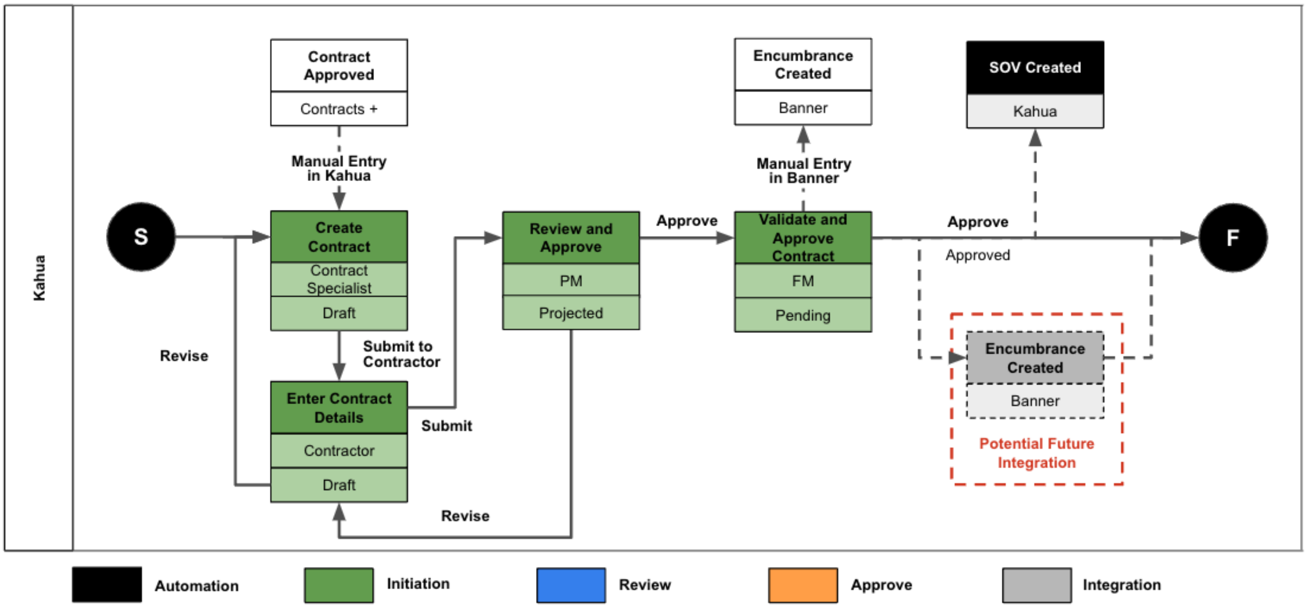
The Expense Contracts application allows you to create a downstream Contract against your budget.

The system will track the Schedule of Values for the contract. Cost amounts are tracked in Work Breakdown according to status.

To access the Expense Contracts application, please open the Apps repository. Under the Cost Management suite of applications click on Expenses.
This will launch the Expenses Applications which will include:

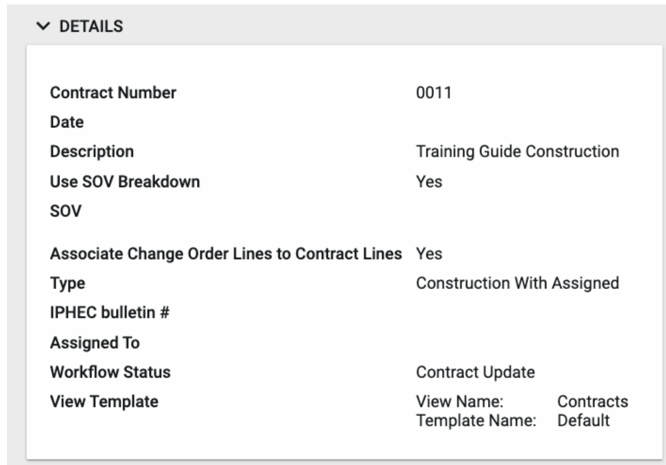
- **Contracts**
- Change Requests
- Change Orders
- Pay Requests
- Purchase Orders
- Purchase Order Change Orders
- Invoices

Workflow


Kahua
S
Contract Approved
Contracts +
Manual Entry in Kahua
Create Contract
Contract Specialist
Draft
Revise
Submit to Contractor
Enter Contract Details
Contractor
Draft
Submit
Revise
Review and Approve
PM
Projected
Approve
Encumbrance Created
Banner
Manual Entry in Banner
Validate and Approve Contract
FM
Pending
SOV Created
Kahua
Approve
Approved
Encumbrance Created
Banner
Potential Future Integration
F
Automation
Initiation
Review
Approve
Integration

Create a Contract

1. **Note**: Only Contract Specialists will be initiating a contract
2. To create a new Contract, please navigate to the appropriate project and go to the Expense Application
3. Select the **Contracts** tab, then click the **New** button to open a new Contract
4. Notice a new form on the right side of the screen
5. Populate the Contract Details such as:
    a. Contract Number - Use CN from Contracts+
    b. Date - Use Contract Execution Date
    c. Description - List Division of Work
    d. Type (for this guide please select Construction With Assigned OR Construction Assigned)
    e. IPHEC bulletin #

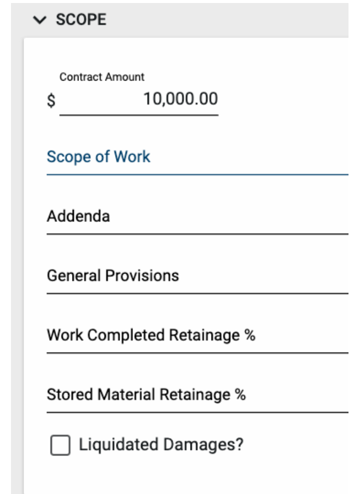

DETAILS

Contract Number	0011
Date	
Description	Training Guide Construction
Use SOV Breakdown	Yes
SOV	
Associate Change Order Lines to Contract Lines	Yes
Type	Construction With Assigned
IPHEC bulletin #	
Assigned To	
Workflow Status	Contract Update
View Template	View Name: Contracts Template Name: Default

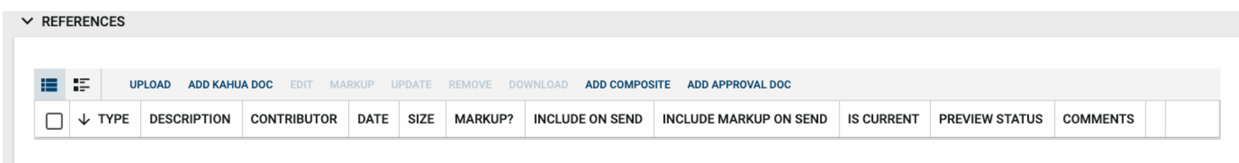
6. In the Parties section, please select the To Contact i.e. who the Contact should be on the Contract
    a. After selecting the Contact, the Company Name and Office Name will populate automatically

   b. If multiple Company Offices exist the single select drop down list will populate with the choices

7. In the Scope section please enter details as available for the:
   a. Contract Amount (Base Bid + Accepted Alternates), as it is a required field,
   b. Scope of Work
   c. Addenda fields
   d. General Provisions
   e. Work Completed Retainage %
   f. Stored Material Retainage %
   g. Liquidated Damages?



8. Internal Notes, Comments & References are also available to add more information
   a. **<u>Note</u>**: Internal Notes will not be shown to external vendors during the process
9. For Construction Type Contracts the Contract Specialist can enter the Line Item if the information is available
10. Documents can be attached to the record under the References section. Add a copy of the executed contract from Contracts+ and any other relevant supporting documents. The user can either:



   a. Upload a document saved on their computer
   b. Add Kahua Doc to reference a document that is stored within Kahua's File Manager application
   c. Add Approval Doc which is used anytime a record is being routed for Review or Signature.
11. Once all details have been filled out, click Save/Close and then please click on **<u>Submit to Contractor</u>**

Contract Action Buttons

Once the fields within the record have been completed and saved, the users can select from several actions:

- **Send** – Use messaging to send record details to others (NOT to be confused with a workflow)
- **Edit** – Update and maintain the record
- **Delete** – Select this action button to delete a record (typically permission based, so all may not see this)
- **History** – All updates/changes are tracked

Send

- Do not confuse **Send** with using the workflow buttons in any application
- Documents can be sent via a message within Kahua to either existing Kahua users or users outside of Kahua by entering their email address and clicking **Enter**
- The documents are treated as attachments, and the message can be copied to the **Communications** application by checking the box

Edit

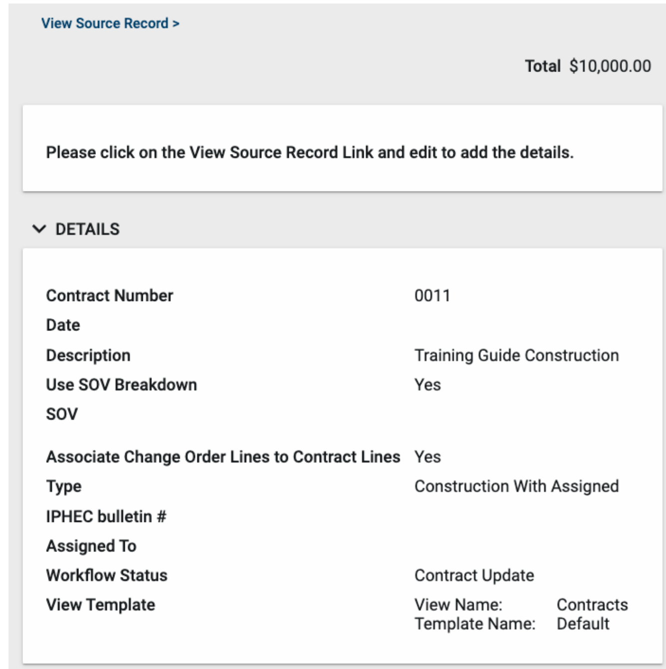
- The record can be updated as needed during the process
- If the document is out for Review or Signature, **Edit** will not be available

History

- The **History** action button provides details regarding all activity (Creation, Updates, Saves, etc.) performed on the record
- To see specific details related to the updates made, click the View Edit button

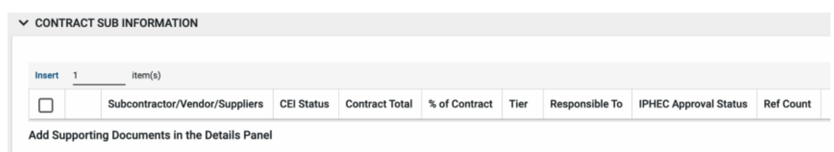
Contractor Step of Construction Agreement

1. The To Contract in the Parties section will receive a Task & email notification where they can add the Contract/Agreement line items by:
    a. Clicking the View Source Record
    b. Click Edit
2. The Contractor can now fill out the:
    a. Scope of Work
    b. Dates
    c. Contract Items (Items Grid)
    d. Contract Sub Information
    e. Comments & References



Adding Contract Sub Information

1. To add Subs, navigate to the Contract Sub Information Grid
    a. To add multiple line items, determine how many lines you will need and click Insert

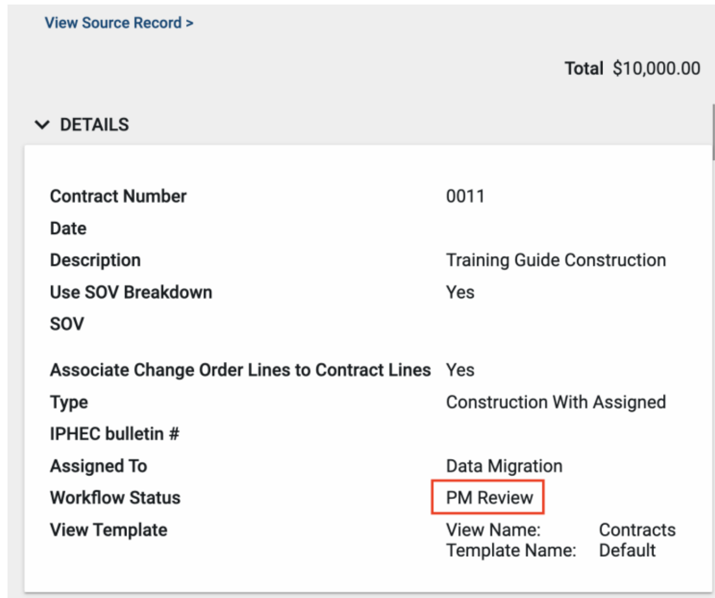


2. Select the Subs
    a. **<u>Note</u>**: only those Subs available in the University of Illinois Companies will be available in this list
3. Select the appropriate CEI Status
    a. The information visible is being pulled from the Classification column of the Certifications Table for the Company
4. The Approved Contract Total
    a. The % of Contract will be calculated automatically based on the Amount
5. The Tier of the Sub & the Responsible To

    a. All Subs are Tier 2 as they are associated with the Primary A/E
    b. Any Tier 3 Subs can then be associated with Responsible To Tier 2 Subs, similarly for Tier 4
6. IPHEC Approval Status cannot be edited by the Contractor
7. To upload Sub specific documents please click on this  icon next to the Sub and you will see the References section for that Sub
    a. The documents uploaded will populate the Ref Count

Project Manager Step of Construction Contract

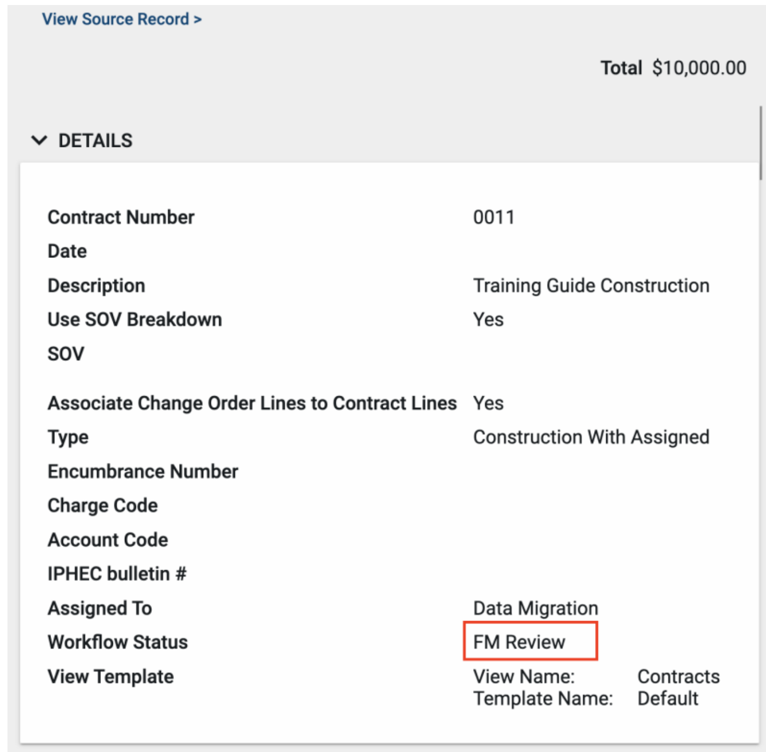
1. The Project Manager selected in the Project Details will receive a Task & email notification where they can updated the IPHEC Approval Status:
    a. Clicking the View Source Record
    b. Click Edit
2. The Project Manager can now:
    a. Update Internal Notes
    b. Update the IPHEC Approval Status based on your review of Step 7 of Subcontractor Information
    c. Add Comments
    d. Add additional References
    e. Review all Information entered by the Contract Specialist and the Contractor in the previous steps



3. Once all information has been reviewed and the IPHEC Approval Status has been updated the Project Manager can click on the Save/Close to edit later or **Submit to FM button**

Financial Manager Step of Construction Contract

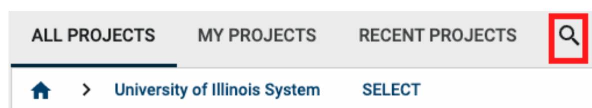
1. The Financial Manager selected in the Project Details will receive a Task & email notification where they can enter the Encumbrance Number, Charge Code & Account Code by:
    a. Clicking the View Source Record
    b. Click Edit
2. The Financial Manager can now:
    a. Add an Encumbrance Number
    b. Select a Charge Code from the ones entered in the Project details
    c. Add an Account Code
    d. Add additional References
    e. Review all Information entered by the Contract Specialist, the Contractor and the Project Manager in the previous steps



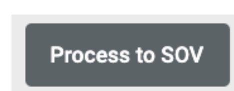
3. Once all information has been reviewed, the Financial Manager can click on the Approve Button which will **Approve** the Contract as the Financial Manager is the last step of this process

On Approval of Construction Contract

1. Once the Construction Contract has been approved the Contractor, Project Manager and the Risk Manager (selected in the Project Details), will receive an email & Kahua notification letting them know that the Contract has been Approved
    a. The Project Manager & Financial Manager can edit the details section of the contract after approval
2. The Contractor selected in the To Parties section will receive an additional notification letting them know that they can navigate to the Contract in the Contracts Application in Kahua and start the entry of the Schedule of Values (SOV)
3. To do this please navigate using the Project Finder by:
    a. Clicking on Project Finder in the left side Navigation
    b. Selecting the Project where the Contract was created
4. You can also use the Search functionality in the Project Finder to locate you project by:
    a. Clicking on Project Finder in the left side Navigation



    b. Clicking on the Magnifying Glass icon next to Recent Projects, as shown in the image below
    c. Type out the Project Name and click on the Project
5. Once in the project go to the Expense Application by clicking on Applications and then searching for Expenses using the Search Bar
6. Select the Contracts, then click on the Approved contract
    a. The Contract will open on the right side of the screen
7. Please click on the Process to SOV located at the bottom of the Contract



    a. On click it will automatically navigate the Contractor to the SOV application in Kahua where the Schedule of Values can be entered and broken down
8. Please refer to the SOV Guide on how to use the SOV Application

Resources

For additional help with Kahua applications please reach out to the Technical team of the University with any questions

Submit a Support Request or email at servicedeskaits@uillinois.edu

UIC: (312) 996-4806

UIS and UIUC: (217) 333-3102