



STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Department of Administration  
DIVISION OF PURCHASES  
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CONTRACT USER GUIDE  
OWNER'S REPRESENTATIVE SERVICES FOR ARCHITECTURAL/ENGINEERING  
AND/OR CONSTRUCTION PROJECTS

MASTER PRICE AGREEMENT #430  
CONTRACT TERM: 8/14/13-7/31/16  
WITH AN OPTION TO RENEW FOR TWO ADDITIONAL YEARS

The Division of Purchases issued RFP #7461230 for Owner's Representative Services on February 27, 2013. Seventeen proposals were received on March 25, 2013, of which 15 were recommended for inclusion on MPA-430.

#### CONTRACT SUMMARY

This Master Price Agreement includes qualified firms to provide Owner's Representative Services on an "as needed" basis for one or more Capital Projects, Architectural/ Engineering (A/E) and/or Construction projects.

#### WHAT IS AN OWNER'S REPRESENTATIVE VS. PROGRAM MANAGER

An Owner's Representative is the person designated by the Owner on a particular project who has the authority to give binding consents or approvals required by the contract documents. When the Owner designates an Owner's Representative in the Contract Documents, the Owner is holding that person out to the Contractor as someone authorized to bind the Owner, and the Contractor can rely on the statements of the Owner's Representative. If the Contractor seeks consent from someone who is an employee of the Owner but the Owner has not designated that employee in the Contract Documents as the Owner's Representative, then any reliance by the Contractor on what that person says is misplaced.

If there is a construction project, for example, to repair a building used by the Department of Human Services, the Owner's Representative could be the project manager assigned to manage the project from the staff of DHS, or perhaps someone from capital projects.

A program usually involves multiple projects but can also involve just one. A Program Manager is someone hired by the Owner to assist the Owner in an advisory capacity, on matters that impact the program, during design and construction. Basic services of the program manager primarily relate to overseeing the development and implementation of the program and include creating a program management plan to describe the scope of the program and its requirements,

managing program related information across the multiple projects in the program, developing a program-wide budget and schedule, and establishing quality control guidelines. The program manager can help with economies of scale and coordinate and prioritize resources across projects, and reduce coordination costs and risks across several projects in a program.

#### HOW TO REQUEST OWNER'S REPRESENTATIVE SERVICES

The Owner's Representative method may be selected for a project when it is determined that the following criteria will be met:

- The State cannot manage or supervise the work of specialty trade contractors and will not contract directly with such specialty trade contractors;
- It is in the State's best interest to retain an Owner's Representative to supervise and or monitor the activities of a general contractor; and/or
- It is in the State's best interest to retain an Owner's Representative to supervise and or monitor the engineering and architectural services for a project;

#### WHO CAN USE THIS CONTRACT

This is a Master Price Agreement and, as such, has Statewide Applicability. Political Subdivisions (cities, towns, schools, quasi-public agencies), as authorized by law, may participate in this Agreement. All ordering and billing shall be between the vendor and the political subdivision (only).

#### INSTRUCTIONS FOR USE BY STATE AGENCIES

**The state agency will obtain a minimum of three quotes from MPA-430 vendors for a lump sum fixed-fee for a specific project.**

**When obtaining three quotes, if a state agency does not wish to select the vendor offering the lowest quote, please provide justification to the Division of Purchases before issuing a notification letter.**

**There is a \$50,000 ceiling for any specific project. Over \$50,000 and up to \$250,000, projects are subject to approval by the Division of Purchases. Projects expected to exceed \$250,000 must be bid.**

The state agency will send a notification letter (sample attached) to the recommended vendor in which the following information is requested:

- An agreement outlining the scope and special terms & conditions covering the work, executed by both the Agency Chief Executive and the vendor's authorized agent (Sample Standard Form of Agreement is Attached).
- A completed Minority Business Enterprise Plan.
- A completed Equal Employment Opportunity Compliance Certificate & Agreement.
- Certificates of Insurance showing minimum limits of coverage as follows:

**Commercial General Liability Insurance:** covering bodily injury, and property damage in a form and with coverage that are satisfactory to the State. Including personal and advertising injury liability, independent contractors, products completed operations, contractual liability and broad form property damage coverage. Coverage shall be written on an occurrence basis. A combined single limit of \$1,000,000 per occurrence and aggregate is required.

**Errors and Omissions Insurance:** covering any damages caused by an error, omission or any negligent acts of contractor, its subcontractors, agents, officers or employees under this Contract. Combined single limit per occurrence shall not be less than \$1,000,000. Annual aggregate limit shall not be less than \$1,000,000.

**Auto Liability Insurance:** covering all owned, non-owned, or hired vehicles. A combined single limit per occurrence of \$1,000,000 will be obtained.

**Workers Compensation and Employers Liability:** in compliance with the compensation laws of the State of Rhode Island. Coverage shall include Employers Liability Insurance with minimum limits of \$100,000 each accident, \$500,000 disease or policy limit, \$100,000 each employee.

The Owner shall be defended, indemnified and held harmless to the full extent of any coverage actually secured by the contractor in excess of the minimum requirements set forth above. Independent contractors who are neither eligible for, nor entitled to workers compensation must file with the Department of Labor and Training, Division of Workers Compensation a "Notice of Designation as Independent Contractor" pursuant to R.I. Gen. laws § 28-29-17.1 naming the State of Rhode Island Department of Administration as the hiring entity.

The liability insurance coverage, except professional liability, errors and omissions, or workers compensation required for the performance of the contract shall include the State of Rhode Island, the Department of Administration, and its divisions, officers and employees as additional insured, but only with respect to the contractor's activities under any contract issued pursuant to MPA-430.

The insurance required under any contract issued pursuant to MPA-430, through a policy or endorsement shall include: A) a waiver of subrogation waiving any right to recovery the insurance company may have against the State. B) a provision that the contractor's insurance coverage shall be primary as respects any insurance, self insurance or self retention maintained by the State and that any insurance, self-insurance or self-retention maintained by the State shall be in excess of the contractor's insurance and shall not contribute.

There shall be no cancellation, material change, potential exhaustion of aggregate limits or non-renewal without thirty days (30) written notice from the contractor or its insurer(s). Failure to comply with the reporting provisions of this clause shall be grounds for immediate termination of any contract issued pursuant to MPA-430.

Successful MPA-430 contractors shall furnish Certificate(s) of Insurance to the state agency at least 48 hours prior to the commencement of work. A copy of additional insured wording from the commercial liability insurance policy will be sent along with the insurance certificate. Failure to comply with this provision shall result in cancellation of any contract issued pursuant to MPA-430.

Insurance coverage shall be obtained from insurance companies authorized by the Department of Business Regulation to transact business in Rhode Island.

MPA-430 contractors shall pay for all deductibles, self-insured retentions and/or self-insurance included hereunder.

The Purchasing Agent reserves the right to consider and accept alternative forms and plans of insurance or to require additional or more extensive coverage for any individual requirement.

When the above information has been obtained, the state agency will send the following documentation to the Division of Purchases and request that a purchase order be issued:

- A Zero Dollar Requisition to Include Project Amount
- Scope of Work
- Quotes Received
- Memorandum Signed by Agency Summarizing Responses and Recommending Vendor
- Copy of notification letter\*
- Copy of signed agreement (A standard form of agreement is being finalized and will be posted in Agency Information Center – Division of Purchases website)
- Equal Employment Opportunity Compliance\*
- MBE Compliance\*
- Certificates of Insurance as detailed above

\*These documents are posted in Agency Information Center – Division of Purchases website.

#### STATE AGENCIES PLEASE TAKE NOTE:

- In accordance with R.I. Gen. Laws § 37-2-54(c), “No purchase or contract shall be binding on the state or any agency thereof unless approved by the department [of Administration] or made under general regulations which the Chief Purchasing Officer may prescribe.” Under State Purchasing Regulation 8.2.1.1.2, “Any alleged oral agreement or arrangements made by a bidder or contractor with any agency or an employee of the Office of Purchases may be disregarded and shall not be binding on the state.”
- State Purchasing Regulation 8.7.1 – “All agreements and changes to scope of work, price, or other terms shall be incorporated into purchase orders via “change order” documents incorporating contract amendments.”
- State Purchasing Regulation 8.7.2 – “Change Orders issued by the Office of Purchases shall be the only binding documents which may create a change in a purchase order.”

- State Purchasing Regulation 8.7.3 – “Personnel shall not commit the state to technical / contractual changes to purchase orders without first securing all necessary approvals.”

Division of Purchases Contact:  
Thomas Bovis  
Interdepartmental Project Manager  
(401) 574-8119  
[Thomas.bovis@purchasing.ri.gov](mailto:Thomas.bovis@purchasing.ri.gov)

AGENCY LETTERHEAD

SAMPLE NOTIFICATION LETTER

DATE

NAME  
COMPANY NAME  
ADDRESS  
CITY, STATE ZIP

Sent Via Electronic and Regular Mail  
E-MAIL ADDRESS

Re: MPA-430 – OWNER’S REPRESENTATIVE SERVICES

Estimated Cost: \_\_\_\_\_

Dear \_\_\_\_\_:

This letter is to notify you that STATE AGENCY is authorized to begin contract negotiations with VENDOR NAME for the above project.

Please provide the following documentation within twenty-one (21) calendar days of this Notice (**Date**). The project cannot commence until a purchase order is issued by the State of Rhode Island, Division of Purchases. This purchase order is your “Notice to Proceed.” **Failure to provide the required information within twenty-one calendar days from the date of this communication may result in your disqualification of contract award consideration.**

- An agreement outlining the scope and special terms & conditions covering the work, *executed by both the Agency Chief Executive and an authorized agent of your firm.* Contact AGENCY CONTACT at (TEL. #) or AGENCY E-MAIL.
- Rhode Island Equal Employment Opportunity Compliance Certificate & Agreement. For further information, call Raymond Lambert at (401) 222-3090 or [Raymond.lambert@hr.ri.gov](mailto:Raymond.lambert@hr.ri.gov).
- A completed “Minority Business Enterprise Plan.” For further information, call Dorinda Keene at (401) 574-8253 or [dorinda.keene@doa.ri.gov](mailto:dorinda.keene@doa.ri.gov).
- Certificates of insurance.

Sincerely,

AGENCY CONTACT  
TITLE

Cc: EEO, MBE

STANDARD AGREEMENT