

Project Security/Construction Process
Town of Belmont
June 10, 2009

The primary purposes for requiring security are to protect the Town from costs incurred by the proposed private development, to protect the safety and interests of future owners/users of the improvements, and to assure the integrity of the completed project as approved. All costs to establish, administer, amend and close security accounts shall be borne by the applicant.

Construction Notes:

1. It is the applicant's responsibility to make certain that both the design engineer and record surveyor remain intimately involved in the day-to-day construction activities to perform all required construction observation, participate in all change requests, certify all construction (periodically as may be requested and finally), and to produce all required escrow reduction requests and as-built plans. All work is to be inspected by the design engineer/record surveyor as applicable. All improvement certifications are to be made under the stamp of the design engineer and/or record surveyor as applicable. Certifications shall be based on timely on-site observations. After-the-fact methods of certifying work are not usually an accepted method of certification. At a minimum, the design engineer and/or record surveyor as applicable shall inspect the site at the following stages and provide written confirmation to the Town:

Layout, Clearing and Grubbing:

- a. Erosion control measures.
- b. Layout of roadway Right-of-Way and wetlands.
- c. Clearing and grubbing.

Earthwork:

- a. Preparation and compaction of subgrade.
- b. Subgrade elevations.
- c. Fill placement. Compaction testing.

Drainage:

- a. Drainage pipes and structures. Requires inspection before backfill.
- b. Final ditch work, slope work, landscaping, and erosion control measures.
- c. Drainage headwalls.

Other Utilities:

- a. Other.
- b. Miscellaneous and unique components.

Paving and Gravels

- a. Base course gravel materials. Compaction tests.
- b. Crushed gravel materials. Compaction tests required every 200 linear feet of roadway.
- c. Final road grades prior to paving.
- d. Driveway locations and aprons.
- e. Binder course pavement.
- f. Signage.
- g. Wearing course pavement. To be placed 1 winter after the binder has been placed.

Restoration and Miscellaneous

- a. Landscaping.
- b. Establishment of Growth.
- c. Other.

Project Closeout Documentation

- a. Perform walk-through with Town's Inspector, Land Use Department, Public Works Director.

- b. Verify that punch list has been completed.
 - c. Final survey monumentation.
 - d. Easements.
 - e. Record Drawings.
 - f. Complete 1-year warranty walkthrough.
2. The Town may also provide periodic construction observation by staff or an independent representative. Any and all such periodic construction observations are solely for the purpose of evaluating the reasonableness of documents and certifications submitted by the applicant and his or her design/construction team and to review general conformance with the plans. They are not inspections for the applicant in place of the design engineer or record surveyor. The Town's representative is not responsible for quantities, record drawings, and final construction certification. Timely notice shall be provided for all construction observation required by the Town's representative.
 3. The construction of all improvements shall comply in all ways to the plans approved by the Planning Board unless change orders are approved by the Town or its representative.
 4. Record Drawings are required for the entire scope of the improvements. Such plans shall include all applicable professional stamps showing all required utilities, roads, drainage and other required site improvements both above and below ground. Such plans are required before the Planning Board will issue a Temporary Certificate of Performance; and a Final Certificate of Performance is required in order to petition the Board of Selectmen to accept the constructed road as a public highway.
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Security:

Amount:

Applicant's Engineer shall utilize at a minimum the Town's security spreadsheet format to submit estimates as directed for some/all of the following:

- a. Total cost to stabilize and vegetate all areas to be disturbed (close site) in case of site abandonment or approval expiration.
- b. Total improvements cost.
- c. Total project closeout cost, i.e. as-built plans, bounds, etc. (subject to approval by Town).
- d. Estimates shall include contingency of 15% of total estimate.

In calculating the above the engineer shall detail all components by unit/cost based on current NH DOT unit costs when available (subject to approval by Town). No credit shall be given for on-site materials or owner participation in the work.

Town shall establish estimate for:

- a. Independent construction observation costs.
- b. Other items as necessary.

Town shall establish total required security value based on this and other information available. A positive balance shall be maintained by the applicant in required escrow account at all times.

Form:

Cash or Letter of Credit:

- a. Cash or check made payable to the Town of Belmont. Cash shall be held in accordance with RSA 673:16.
- b. Letter of Credit language requires pre-approval of Town (sample available). Letters shall include a self-call clause.

Performance Bond:

- a. Language and writer require pre-approval by Town of Belmont.
- b. Bond shall include an automatic renewal provision and must remain in effect until released by the Town upon issuance of the Temporary Certificate of Performance.
- c. With this option, the bond shall be for the total required security and is not subject to incremental releases.
- d. In addition to the Performance Bond, security in the form of cash or a letter of credit in the amount of 10% of the total required security shall also be deposited with the Town. The cash or letter of credit security shall be considered the long/short term retainage for the project and released accordingly.

Increases, Releases/Reductions:

1. Increases:

The Town may require the applicant to submit an updated engineering estimate and increase the total required security for projects not completed within one year of the date of the original security estimate or where construction or material per-unit costs changes occur.

2. Releases/Reductions:

Cash and Letter of Credit Releases/Reductions Request process:

- a. Applicant shall obtain successful inspection of work to be released by Town's inspector.
- b. Applicant's Engineer shall certify in writing (copy to Town's inspector, Town's engineer, Land Use Office):
 1. work to be released is completed in accordance with approved plans
 2. value of work to be released based on original job estimate including confirmation of quantities.
 3. value of remaining security is sufficient to complete project and cover retainageRequest shall use at a minimum the Town's spreadsheet format and include narrative description of work completed/to be completed. All applicable test results shall be included.

- c. Release requests will only be considered for work completed and shall not include stockpiled materials that have not been incorporated into the project.
- d. Short-term Retainage (10%) will be held on all releases until the Temporary Certificate of Performance is issued (completion of all required conditions/improvements).
- e. Long-term Retainage (2%) will be held on all releases until the Final Certificate of Performance is issued (minimum one year and successful operation of all conditions/improvements)
- f. Full or partial release of the project security may occur with the Temporary Certificate of Performance, but shall occur no later than issuance of the Final Certificate of Performance.
- g. The Town is not required to accept release requests more frequently than every 60 days and the Town will make every effort to process requests within 30 days of receipt of a completed request. Escrow reduction calculations do not take into consideration any amount due the contractor. That is a contractual matter between the developer and the contractor.
- h. Record drawings are required for the entire scope of the improvements prior to final release. These shall be stamped by a Professional Engineer or Registered Land Surveyor. Record plans shall include updated information for changes above and below ground.
- i. Additional Record Documentation may include final paving slips and other invoices for materials installed.

Lapse:

Should for any reason the applicant allow required security to lapse, either through his/her own action or fault, through action of a court because of bankruptcy, or for any other reason, the Town shall act to revoke the project approval, issue a cease and desist order, cancel all building permits that have been issued, but upon which work has not started; refuse to issue additional building permits; and pursue all other remedies allowed by law.

See also Releases/Reductions Tracking Spreadsheet