

UCF'S MEMORANDUM UCF-11.01-04/05

TO: Members, Council of Presidents

SUBJECT: Establishment of Construction Contract Time and Liquidated Damages

AUTHORITY: Section 240.209(3)(p), F.S.

POLICY/PURPOSE: Construction contracts for State University System projects which require a building program must provide for a realistic time of completion and for liquidated damages to be assessed for failure to complete the project on time. To provide guidelines for establishing a reasonable construction contract time and for determining liquidated damages for failure to complete a construction project on time.

Establishment of Construction Contract Time. The university facilities planning office, after consulting with the project architect/engineer, shall evaluate such factors as the user's needs, project complexity, site considerations, and quality requirements to determine a reasonable construction time.

Determination of Liquidated Damages. The university facilities planning office and the user of the building shall evaluate the implications of a delay in the project, considering interest costs, loss of use, loss of income, costs of equipment storage, costs to rent alternative space, additional architect/engineer fees, and any other costs that are projected to be incurred as a result of the delay.

The daily interest cost = construction amount x .07 365

Other costs related to delayed completion may be added to the amount generated by the formula, for a total daily liquidated damages amount.

Inclusion in Bidding Documents. The university facilities planning office notifies the project architect of the construction contract time and daily liquidated damages amount for inclusion in the bidding documents.

Change Orders. During construction, each change order that affects the construction time shall provide for a realistic time extension (or reduction) of the construction contract time prior to final approval by the university. Memorandum UCF-15,

Construction Change Orders, provides further information regarding change orders.

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