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**CONSTRUCTION COST REPORTING AND DSA FEES**

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**Disciplines:** Structural**History:**Revised 12-02-16  
Revised 08-09-12Issued 11-03-08

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**PURPOSE:** This Interpretation of Regulations (IR) provides clarification of specific Code requirements relating to tasks that are considered to be “construction tasks” subject to Division of the State Architect (DSA) fee calculation.

**BACKGROUND:** Traditionally, construction tasks as listed in Section 2 have been performed by the construction contractor. Alternative project delivery systems have been developed in recent years that assign certain construction related responsibilities per Section 2 to construction or program managers as agents of the owner, construction managers multiple-prime, and construction managers at risk (see [IR A-3](#)), multiple-prime contractors, and lease-leaseback or design-build contractors (see [IR A-33](#)). Such duties must be included in calculating construction costs, which are used to determine final fees due to DSA.

**Note:** Although certain portions of the construction management fees will be considered construction related costs and utilized in determining DSA fees, please be aware that the Office of Public School Construction (OPSC) does not consider these costs to be construction related for purposes of having funds released in the School Facility Program, with certain exceptions. Please consult with [OPSC](#) for further clarification of these construction management exception areas.

**1. DSA FEES:** Final DSA fees are based on the total final construction cost for the project. Final actual project cost, reported by the school district to DSA on form [DSA 168](#), is the sum of the total original construction contract amount, the total construction change amount, and total construction management amount when such management fees constitute a portion of the “construction cost.” See IR A-3 for clarification of construction management services that are considered to be part of the construction cost. Construction management, project management, and program management fees paid for services that are not for performing construction are not subject to DSA fees, except per Section 1.2 below.

**1.1** If school district employees or volunteers perform substantial construction work, the estimated value of the work shall be reported on form DSA 168. The name of the person responsible for the construction shall also be specified on form [DSA 102-IC](#). At the conclusion of construction, the person responsible shall file a final verified report as the designated contractor on form [DSA 6-C](#), certifying that all construction was performed in accordance with DSA-approved documents.

**1.2** When an entity is contracted to perform any of the construction tasks described in Section 2 below, then that portion of the contract amount shall be reported to DSA on form DSA 168 and shall be subject to DSA fees, even if part of the services included in the contract would not otherwise be subject to fees. DSA fees for Construction Managers (including Program Managers and Project Managers), Construction Managers Multiple-Prime and Construction Managers at Risk may be prorated based on percentage of time spent on construction tasks as described in Section 2.

**1.3** The value of donated materials and/or materials provided by the school district must be reported on form DSA 168.

**1.4** Each submittal of contract information is to be made on form DSA 102-IC. Each contract must be identified by a “contract number” in consecutive order to assist in record

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keeping and future reference. Such identification must be noted on construction change documents which affect that contract. ←

- 1.5 When a single contract covers work described in more than one DSA application, the cost relevant to each application shall be clearly broken out and a separate form DSA 102-IC shall be submitted for each application. ←

2. **CONSTRUCTION TASKS:** “Construction tasks” include, but are not limited to, the following: ←

- Performing the hiring, contracting, or subcontracting for construction work.  
**Note:** Assisting the school district with the preparation, advertising and bidding of prime contracts between the school district and a construction contractor shall not be considered a “construction cost” by DSA.
- Purchasing construction materials.
- Coordinating, scheduling, supervising or controlling multiple-prime contractors.
- Directing or coordinating day-to-day activities of construction workers, contractors, or subcontractors.
- Providing temporary facilities including, but not limited to, site trailers, furnishings, equipment, utilities, etc., for contractors, inspectors or other personnel.
- Obtaining local permits and/or arranging for the delivery of power, telephone, water and other temporary utilities required for construction.
- Providing construction site security.
- Developing detailed construction schedule(s).
- Providing quality control and/or safety audits of contractors.
- Arranging for permanent utility hook-ups for the new construction.
- Requesting, directing or arranging for inspections of fire alarm systems, food service systems, elevators, or other similar construction.
- Arranging for a “fire watch” during construction for the construction site and/or for existing buildings while fire safety systems are non-functional for any reason as a result of the construction.
- Providing clean-up work including the removal of trash and/or construction debris.

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### REFERENCES:

California Code of Regulations (CCR) Title 24  
Part 1: California Administrative Code  
Section 4-322

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This administrative Interpretation of Regulations (IR) is intended for use by the Division of the State Architect (DSA) staff, and as a resource for design professionals, to promote more uniform statewide criteria for plan review and construction inspection of projects within the jurisdiction of DSA which includes State of California public elementary and secondary schools (grades K–12), community colleges, and state-owned or state-leased essential services buildings. This IR indicates acceptable practices as stipulated in the California Administrative Code (CCR, Title 24, Part 1) and aligning with DSA policies and procedures.

This IR is reviewed on a regular basis and is subject to revision at any time. Please check the DSA website for currently effective IRs. Administrative and technical IRs are listed on the DSA website at: <http://www.dgs.ca.gov/dsa/Resources/IRManual.aspx>