RESTORATION INTEL • FIELD OPERATIONS SERIES

The Reconstruction PM Quick Card • Inspection Sequence, Change Order Gate & Critical Path Spine

Current version — Nov 2, 2026
Update history: restorationintel.com/reconstruction-project-management-subcontractors-inspections-certificate-occupancy/

OPERATIONAL MANDATE: Reconstruction PM converts an approved insurance estimate into an inspected, code-compliant, occupied building. It controls the intersection of property claims economics and building code enforcement. The two primary failure modes are subcontractor delays (inflating ALE/BI claim costs) and inspection sequencing failures (forcing costly demolition of uninspected work).

1. Permit Inspection Sequencing Skeleton (Fixed Non-Negotiable Order)

BUILDING CODE & PERMIT CARD

Each inspection milestone must be completed, signed off on the municipal permit card, and logged before proceeding to the next work phase.

Inspection Stage	Scope & Code Trigger	Specific Verification / Pressure Test Standard	Hold Point / Downstream Gate
1. Demolition *(where req.)*	Pre-framing / abatement clearance	Verifies regulated asbestos/lead removal per permit. Requires written **IH Air Clearance Report** from licensed Industrial Hygienist.	Blocks all rough framing and trade mobilization until clearance issued.
2. Rough Framing	Structural framing & load path	Headers over openings, continuous load paths, blocking, shear wall nailing per engineered drawings, joist hangers, connectors, stairway framing.	Must be approved before mechanical, electrical, or plumbing rough-ins are concealed.
3. Rough Electrical	Panels, branch circuits, boxes	Wire sizing, box fill, physical protection, **AFCI breakers** (NEC 210.12(A) for 120V 15A/20A circuits), GFCI rough-in locations, low-voltage.	Concurrent with MEP in open framing; all 3 rough-ins required before insulation.
4. Rough Plumbing	Supply lines & DWV system	**Supply Line Pressure Test:** 100 PSI for 15 minutes with 0 pressure drop. **DWV Test:** Air test at 5 PSI or water column test per local code.	Tests must be held under active pressure during inspector's physical visit.
5. Rough Mechanical	HVAC ducts & equipment rough	Duct sizing/support, equipment curbs/platforms, refrigerant lines, gas combustion air, exhaust fans, dryer ducts. **Zero tie-in to contaminated duct runs.**	Confirms duct cleanliness before sealing system. Pre-req for insulation.
6. Insulation	Thermal envelope & vapor barrier	R-value compliance (IECC 2021: R-20 walls, R-38–49 ceilings in most climate zones; or local code), vapor retarder, blower door air leakage test if adopted.	Final check before wall cavity close. Inspector signs permit card.

CRITICAL HOLD POINT — THE DRYWALL RULE: No drywall installation may begin until **ALL FIVE ROUGH-IN INSPECTIONS** (Rough Framing, Electrical, Plumbing, Mechanical, and Insulation) have been physically approved and documented on the permit card. Installing drywall over uninspected rough-ins is the #1 catastrophic PM failure: it forces full drywall removal at the contractor's expense, triggers code citations, and inflates policyholder displacement days.

Inspection Stage	Scope & Code Trigger	Specific Verification / Pressure Test Standard	Hold Point / Downstream Gate
7. Drywall Nailing *(jurisdiction-dep.)*	Fastener pattern & board thickness	Verifies screw/nail schedule, drywall thickness (e.g. 5/8" Type X at garage/living separations), and fire-blocking at penetrations before tape/mud.	Mandatory hold before joint compounding in applicable municipalities.
8. Final Inspection	Life safety, systems, fixtures	All fixtures operational, 0 plumbing leaks at full line pressure, **NFPA 72 smoke/CO detectors** (each bedroom, outside bedrooms, every floor), listed firestops.	**Prerequisite for Certificate of Occupancy (CO)** and final draw.

2. The Change Order Gate (Stop → Photograph → Notify → Write → Authorize → Resume)

Strict Carrier Protocol

Hidden damage discovered during reconstruction is a scope supplement. Removing material before written carrier authorization forfeits proof and risks complete denial of the supplement.

STEP 1 — STOP
Halt trade work in affected area immediately. Do not alter condition.

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STEP 2 — PHOTOGRAPH
In-situ context, medium & macro shots with tape scale before demolition.

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STEP 3 — NOTIFY
Call examiner immediately; follow up in writing with attached photos.

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STEP 4 — WRITE
Supplement estimate with exact Xactimate codes & quantity take-offs.

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STEP 5 — AUTHORIZE
Secure written authorization (email acceptable) prior to touching.

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STEP 6 — RESUME
Mobilize sub for approved scope only; log agreed cost into claim budget.

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3. Critical-Path & Long-Lead Ordering Triggers

ALE / BI CLOCK

Ordering after rough framing adds dead time to the critical path. Long-lead items **must be ordered before rough framing begins**.

Material / Assembly	Lead Time	Order Trigger & Impact
Custom Cabinetry	**4–8 Weeks**	Order at demo sign-off. Waiting for framing sign-off adds 4–8 wks of dead critical path.
Specialty Windows	**6–12 Weeks**	Order at initial scope release. Prevents weather dry-in bottlenecks.
Engineered Hardwood	Species/profile dep.	Order early; requires jobsite acclimation before installation post-drywall.
Discontinued Tile	Matching search	Submit equivalent LKQ substitution to carrier immediately upon discovery.
Custom Millwork	Fabrication dep.	Field verify rough openings; release shop drawings during demo phase.

THE TIMELINE COMPARISON: 90-day vs. 130-day delivery is not merely speed—it eliminates 40 days of Coverage D Additional Living Expenses (ALE) or commercial Business Interruption (BI) burn, safeguarding policy limits and carrier standing.

4. Subcontractor Qualification Checklist

4 MANDATES

- **Trade License:** Current state license in trade (Electrical, Plumbing, HVAC/Mechanical, Framing, Roofing). GC cannot self-perform licensed trades without holding the license.
- **General Liability (COI):** Minimum $1,000,000 per occurrence (Residential) / $2,000,000 (Commercial), naming GC as Additional Insured. *Must be received directly from insurer.*
- **Workers' Compensation:** Current cert with 0 exceptions (sole proprietors included; unrepresented injuries transfer liability to GC under controlling-employer doctrine).
- **Specialty Environmental Licenses:**
  - **EPA RRP:** Certified renovator required for pre-1978 painted surfaces.
  - **State Mold License:** Required post-mold in TX, FL, LA, MD, NY, CA.
  - **NADCA Certification:** For specialized HVAC air handler/duct sanitization.

5. OSHA Controlling Employer Duties

29 CFR 1926

Under the OSHA multi-employer worksite doctrine, the GC is responsible for site safety compliance across all subcontractors. Key standards:

Fall Protection (1926.502)	Guardrails, nets, or PFAS for 6ft+ drops.
Scaffolding (1926.451)	Inspected daily, base plates, fully planked.
Electrical Safety (1926.416)	GFCI temp power cords, LOTO on live panels.
Confined Space (1926.1201)	Permits & atmospheric monitoring in crawls/attics.
HazCom (1910.1200)	On-site SDS binder for paints, solvents, adhesives.

GC conducts mandatory safety orientation for all sub employees and maintains injury logs.

6. Milestone Draw Schedule & Closeout Package

CARRIER DRAWS

Milestone Draw Stage	Target %	Required Backing Docs
1. Demo & Mobilization	10–15%	Demo photos, abatement air clearance.
2. Framing & Rough-Ins	20–25%	Permit card rough inspection approvals.
3. Drywall & Exterior	25–30%	Drywall finish photos, exterior weather proof.
4. Finish & Mechanical	20–25%	Cabinet, trim, fixture & HVAC operational proof.
5. Final Inspection & CO	10–15%	**Withheld until official CO issued.**

Top 5 Final Inspection Failure Points (Avoid via Pre-Walk):

1. Smoke/CO detectors missing or not interconnected per NFPA 72.
2. GFCI missing at kitchens, baths, garages, outdoors, or <6ft from water.
3. AFCI breakers missing on required 120V 15A/20A dwelling circuits.
4. Unsealed penetrations in fire-rated assemblies (missing listed firestops).
5. HVAC equipment not fully installed, powered, and operational.

7. Carrier Closeout Documentation Package

FINAL DRAW

- **Certificate of Occupancy (CO)** or signed municipal final inspection report.
- **Unconditional Lien Releases** from all subcontractors and material suppliers.
- **Final Subcontractor Invoices** fully reconciled to approved Xactimate scope.
- **Manufacturer Warranties** for roofing, HVAC, windows, and water heaters.
- **Organized Photo Record:** Completed room-by-room photos matching line items.