



Diocese of Peterborough

Policy Name: Diocesan Capital Procurement Policy

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1.0 Introduction

This policy defines the procedural requirements for the purchase of equipment, and/or construction and renovation of Parish Churches and all related facilities within The Roman Catholic Episcopal Corporation of the Diocese of Peterborough in Ontario, Canada, referred to in this policy as Parishes.

Maintenance and Repairs. M&R expenses are incurred during regular day to day service such as snow plowing, lawn maintenance, elevator repairs, minor purchases to repair equipment, vendor cleaning, etc. The Diocese has set an annual M&R limit of \$20,000 per parish and therefore once a parish is beyond \$20,000 in a fiscal year they must submit a request to the Diocesan Property, Planning and Building Committee (DPPBC) for M&R expenses beyond this amount.

Annual “contracted services” for snow removal, lawn maintenance and elevator maintenance are to be expensed to M&R but will be considered outside of the \$20,000.00 cap for minor M&R expenses. Therefore, no DPPBC reporting and/or approvals will be required if a parish is over the cap based on the indicated, routine “vendor services contracts” above.

Operating capital is related to either buying a new asset (over \$1,000) or adding to the value of an existing asset (over \$1,000) with the expectation of receiving benefits for longer than a single tax year. Although the Diocese does not depreciate capital assets, unless we are building a new church or some other extraordinary situation, but they are accounted for separately from M&R expenses. The Diocesan annual, cumulative requirement is that all capital project/purchasing requests in excess of \$20,000 must be submitted to the DPPBC for approval prior to any work/purchase going forward.

Example: The purchase of a new lawn tractor for \$3,000 would be considered a capital purchase as it has a life span of over a year whereas the purchase of replacement part for that same lawn tractor in the amount of \$350 would be expensed to M&R. No

requirement/submission to purchase the tractor is required if parishes are under the \$20,000 M&R cap.

2.0 Project Types

2.01 The Diocese breaks building projects into three (3) types:

Type 1: Building Projects of a Small Nature

Projects of this type are small repair and maintenance projects. Typically, they might include replacement of a garage door, repair to electrical or gas water heaters, plumbing repairs or replacement of small areas of flooring and building hardware. These small projects run from twenty thousand (\$20,000) to fifty thousand (\$50,000) dollars.

Type 2: Building Repair or Renewal Projects of a Single-faceted Nature

Projects of this type involve repair or renewal to only one major building element, such as replacement of a roof, windows or flooring, updating of a heating system, painting and exterior work such as paving. The nature of the work normally only requires the services of one qualified contractor or tradesperson, with pricing through the provision of quotations. The general cost range of projects in this classification is between fifty thousand (\$50,000) to three hundred thousand (\$300,000) dollars.

Type 3: Major Building Projects, Additions and New Churches

Projects of this type are:

- Larger renovation projects over \$300,000 dollars that involve several or more major building elements that affect the structural, mechanical, electrical or architectural building components and involve substantive changes to existing structures, including major additions, redesigns or new designs for architectural, structural, mechanical and electrical systems, exterior building components and interior floor plans.
- New Churches, Administrative Buildings, Residential Homes and Landscaping.

2.02 These projects require the engagement of a team of professional consultants, often under the direction and leadership of an Architect, Engineer or Design/Build Project Manager. The work itself will generally involve the need for many contractors or sub-trades, coordinated by a general contractor and supervised by a professional team of Architects (OAA Accredited) or Engineers (PEO accredited).

Consultation with the Diocesan Property, Planning and Building Committee (herein referred to DPPBC) and the approval of the Bishop is required for all projects which affect the character of the worship space, irrespective of the value of such change.

3.0 Roles and Responsibilities

3.01 Role of the Bishop

The Bishop has the ultimate authority for all buildings of the Diocese, including proposals for new buildings and the renovation of its existing buildings. The Bishop approves or declines the recommendations of the Parish Priest (Pastor) or the Parish Building Committee regarding all Type 1 projects that exceed the Parish's Capital Spending Limit of \$20,000 and all Type 2 and 3 Projects, as well as all projects which affect the character of the worship space, irrespective of the value of such project.

3.02 Role of the Pastor

The Pastor has the responsibility for the development and care of the buildings and property that is associated with the Parish. The Pastor is the primary liaison between the Parish and the Diocese and represents Parish interests in all aspects of building projects. All parishes DPPBC submissions including applications, reporting, etc. must be received by the Director of Finance, Property and Administration, two (2) weeks prior to the scheduled meeting date(s).

3.03 Role of the Director of Finance, Property and Administration

The Director of Finance, Property and Administration serves as the delegate of the Bishop for purposes of determining project scale and receiving all submissions required by this procedure. The Director of Finance, Property and Administration will be available for consultation on all aspects of construction and renovation procedures. Any clarifications to the procedures described in this document should be addressed to the Director of Finance, Property and Administration.

The Director of Finance, Property and Administration serves as the financial advisor on aspects of construction and renovation procedures that require financing (refer to Diocesan Banking and Loan Policy 7), fundraising and or cashing of term deposits (refer to Diocesan Banking and Loan Policy 6.4 and 6.6), related to all projects.

3.04 Role of the Diocesan Property, Planning and Building Committee (DPPBC)

The main responsibility of the DPPBC is to evaluate and recommend approval of all Type 1 projects to the Bishop. For Type 2 and Type 3 projects the DPPBC is to evaluate and recommend a course of action to the Bishop and to assist the Pastors and Parish Building Committees by providing advice and guidance relating to the design, construction and financing of their building projects.

Consultation with the DPPBC and the approval of the Bishop is required for all projects which affect the character of the worship space, irrespective of the value of such change.

3.05 Role of the Parish Building Committee

Depending on the complexity of a building or renovation project, the Pastor will draw on his Parish Building Committee. Such a Committee should be helpful in a consultative manner in defining the needs of a project and providing advice to the Pastor. The Pastor is the Administrator of the Parish and represents the Parish in all juridical affairs; and therefore, he has the final decision over all Parish Building decisions, except those that require the Bishop's consent.

The involvement of a Parish Building Committee is required for projects defined as Type 2 and 3 Projects in section 2.0 of this Policy.

It is recommended that Parish Building Committees be limited to four or five individuals who are compatible and dedicated to the Parish. The Pastor is encouraged to consult with the Director of Finance, Property and Administration to assist in the formation of such committees, as required.

3.06 Role of the Parish Finance Community

All Parishes are required by Canon Law to have a Finance Committee. The Finance Committee is consultative to the Pastor in the Parish financial matters.

For building projects, the Parish Finance Committee must ensure that the proposals for the project under consideration are financially attainable. The Parish Building Committee and Parish Finance Committee must work together in the preparation and monitoring of the budget, project cash flow and financing proposals for the project.

4.0 Financial Responsibilities

4.01 While the Diocese and Parish collaborate in the planning, design, construction and financing of projects, the Parish is solely responsible for the financing and payment of all building construction, renovation, or repair projects. Approval by the Bishop is contingent on several factors, including the Parish's ability to pay for the project.

4.02 For Type 1 Projects, the Parish must have 70% of funds deposited in the bank or on deposit with the Diocese before the start of the project and be able to finance

the remainder of the project by completion date (through fundraising or cashing of a Term Deposit).

- 4.03 For Type 2 Projects, a Parish must have at least 50% of the total estimated cost of a project in the bank or on deposit with the Diocese before the start of the project.

Down Payment required	50% of the Project Cost
Diocesan Loan-prime + 2.0%	50% of the Project Cost

- 4.04 For Type 3 Projects, the following funding model is required:

Down Payment required	greater of \$150,000 and 20% of Project Cost
External Loan-prime +0.50, annual + 1%	80% of the Project Cost

- 4.05 The Parish must have sufficient cash flow to repay the interest and loans off within 10 years of project completion.

- 4.06 The Bishop is the final authority for approval for all financial arrangements and may amend the above funding model due to special circumstances.

- 4.07 Construction Lien Act (Ontario) Requirements

Payments to general contractors are always subject to the holdback provisions of the *Construction Lien Act (Ontario)*. The Act requires the payer to retain a holdback equal to 10 percent of the price of the services or materials as they are actually supplied under the contract or subcontract until all liens that may be claimed against the holdback have expired, have been satisfied, discharged or paid into court. There is a separate holdback for finishing work. Where the contract has been certified or declared to be substantially performed but services or materials remain to be supplied to complete the contract, the payer upon the contract under which a lien may arise is required to retain, from the date certified or declared to be the date of substantial performance of the contract, a separate holdback equal to 10 percent of the price of the remaining services or materials as they are actually supplied under the contract, until all liens that may be claimed against the holdback have expired, have been satisfied, discharged or paid into court. Parishes are encouraged to speak with the Director of Finance, Property and Administration and/or Director of Finance, Property and Administration if there are any questions or concerns in this regard. See *Appendix "A"* for a copy the holdback provisions in the Act.

The *Construction Lien Act* also contains trust provisions that relate to amounts received for the financing of the improvement, including any amount that is to be used in the payment of the purchase price of the land and the payment of prior encumbrances. Such amounts constitute, subject to the payment of the purchase price of the land and prior encumbrances, a trust fund for the benefit of the contractor. Similarly, where amounts become payable under a contract to a contractor by the owner on a certificate of a

payment certifier, an amount that is equal to the certified amount that is in the owner's hands or received by the owner at any time after the issuance of the certificate constitutes a trust fund for the benefit of the contractor.

5.0 **Volunteers**

- 5.01 Volunteers are essential to the operation of any Parish and everything possible should be done to encourage volunteerism. When volunteer labour is proposed for a construction or renovation project, great care must be taken to manage the expectations of both the volunteer, the Diocese and the Parish. Further, Parishes will need to review and apply the provisions of the Diocese Volunteer Screening Manual, when available.
- 5.02 Where the volunteer labour comes in the form of a trade providing labour/materials free of charge, the skill/experience of the trade should first be confirmed. Then, if the trade has the requisite skill/experience, a formal written contract shall be entered between the volunteer trade and the general contractor overseeing the project. The terms and conditions of such a contract should cover all the standard issues that a subcontract issued in the ordinary course of a construction project would include (examples: health and safety, scope of work, schedule, insurance, workmanship, indemnity and warranty).
- 5.03 For individuals volunteering their labour, the first step is to determine if the individual has the physical ability, skill, and experience to undertake the proposed task. If he or she has such skill and experience, a form of contract should be entered between the general contractor and the volunteer (it can be quite simple) indicating the scope of work, when the work will be done, the role of the general contractor in directing and coordinating the work and provisions addressing volunteer compliance with any applicable laws. A sample Volunteer contract is attached as *Appendix "B"*. Although this approach may sound overly formal, these arrangements are important for the protection of both the volunteer, the Diocese and the Parish. The fact that work is being performed *pro bono* should not result in substandard work being performed or relax the discipline required to have a safe and orderly construction site.
- 5.04 Please note that charitable donation receipts cannot legislatively (CRA) be issued for volunteer work, please contact the Director of Finance, Property and

Administration for further information if a volunteer requests a charitable receipt for their services.

6.0 Request for Consideration of Type 3 Projects

- 6.01 Prior to the initiation of any potential Type 3 Project, permission must first be obtained from the Bishop that it is worthy of consideration.
- 6.02 Following approval in writing by the Bishop, the feasibility of the project can then be investigated, and a feasibility statement prepared.

7.0 Feasibility Statement (is required for all Type 2 and 3 Projects)

- 7.01 The first major assignment of a Parish after it has received approval from the Bishop and DPPBC to consider a project is to prepare a Feasibility Statement.
- 7.02 A Feasibility Statement is a detailed description of the elements of a proposed project and the methods and conditions under which the Parish believes it can be attained, including an estimate of what the project is expected to cost and how the project will be financed.
- 7.03 This is perhaps the most significant stage of any construction project, particularly for Type 3 Projects, since the outcome and financial success of the project is dependent on a set of well-defined design criteria. The more precise and specific these design criteria are, the better the design process and results will be. Professionals (Architects, Engineers and Professional Consultants) subsequently engaged to design a project will also find such design objectives and criteria most valuable.
- 7.04 The type and details of the feasibility study will be dependent on the type of project. For example, a Type 2 Project might simply entail the preparation of a brief letter describing the task, two to three quotations and a statement that a Parish has the funds on deposit or in the bank to undertake the project. Reports from any trade consultants should be forwarded in support of the feasibility statement.
- 7.05 For Type 3 Projects, the Feasibility Statement necessarily becomes more complex, and requires more detail. For these larger projects, this is the educational phase of the project where the Parish explores the conceptual aspects of design and identifies what it wants the project to achieve. It will include investigations and perhaps site visits to similar projects to define and understand the components of the project at hand. Through this process the Parish establishes a consensus

for the various elements of the project, including its architectural and aesthetic aspects.

- 7.06 A Feasibility Statement should include a detailed description of both design objectives and financial aspects.
- 7.07 Project Design Objectives: The Project Design Objectives of the feasibility statement should be as specific as possible and include relevant considerations that will allow the Bishop and the DPPC to make an informed decision about the project. A list of relevant questions and considerations is attached at *Appendix "C"*.
- 7.08 Preliminary Budget and Attainability: The Feasibility Statement must also describe the financial considerations of the project and document that it is financially attainable. This must include a preliminary but accurate description of the following:
- A preliminary expectation of cost or quotation for the project basis and the source of the cost estimate.
 - Current financial status of the Parish, funds on hand, funds on deposit with the Diocese.
 - Current cost of operations and revenue, a min of four (4) years of comparable profit and loss statements.
 - Cashflow statement to a maximum of ten (10) years.
 - Anticipated increased revenue and cost of operations and anticipated increase in donations.
 - Proposed fundraising.
 - Required loans and financing
- 7.09 When the Feasibility Statement is complete, it must be submitted to the Director of Finance, Property and Administration for review and approval by the Bishop.

8.0 Engagement of Professionals

8.01 Responsibilities

For most multi-faceted projects of a large scale and complexity, such as Type 3 Projects, it will usually be necessary to engage an Architect, Engineer or related Professional Consultants (Professional). The responsibilities of a Professional is to provide a design for the new church project in consultation and collaboration with the Pastor and Parish Building Committee, to prepare project budgets and estimates, obtain municipal and other relevant approvals, supervise construction and generally facilitate completion within the budget and the project terms of reference. The role of the professional may include engagement of additional consulting expertise, such as quantity surveyors and Liturgical Consultants.

8.02 Early Engagement

For very complex projects and new Parishes, it may be desirable to engage professional help at a very early stage to help in the preparation of a Feasibility Statement. Although the Diocese does not encourage engagement of professional help at this stage, if a Parish does not have sufficient expertise and believes it would benefit from such help, it may request permission from the Director of Finance, Property and Administration for early engagement of a Professional Consultant.

If a Parish does so, it must be acknowledged in a special agreement between the Professional and the Parish stating that this engagement is consultative only and non-committal and non-binding for subsequent contractual engagements with the Diocese.

8.03 Normal Engagement

Ordinarily, it is the policy of the Diocese that Professional help may only be engaged after the Parish has clearly defined the project and has received approval from the Bishop of the Feasibility Statement.

8.04 Selection of a Professional Consultant

Selection of the professional Architect, Engineer, Liturgical Consultant or other professional is the responsibility of the Parish.

The Parish Building Committee should develop a list of criteria to evaluate potential Professionals before interviews commence. The criteria will help determine their experience with the project, their compatibility and ability to achieve the objectives of the Parish and Diocese. *Appendix "D", Criteria for Evaluating an Architect*, provides an example for your reference.

The Diocese is available as a resource in the determination of suitably qualified professionals, architectural and engineering consultants and general contractors.

8.05 Fees

Following this review and pre-qualification process, the Parish Building Committee should consult with the Director of Finance, Property and Administration and request permission for the engagement of the Professional. If the Director of Finance, Property and Administration is satisfied with the qualifications of the Professional and recommendation of the Parish, the Professional will be required to enter into a contract with the Diocese. The Director of Finance, Property and Administration must approve the contract before the contract can be signed by the Diocese. Note that all contracts in relation to Type 3 Projects must be signed by the Diocese, and not the Parish (see section 12.06).

9.0 Documents and Submissions

- 9.01 All documents, drawings and submissions to the Diocese must be made to the Director of Finance, Property and Administration of Finance and Administration.
- 9.02 Documents and submissions that involve a meeting of the DPPBC must be made at least two weeks prior to the scheduled meeting.

10.0 Type 1 Projects: Building Projects of a Small Nature

10.01 Quotations

To ensure competitive pricing, two (2) to three (3) quotations should be obtained from qualified tradesmen or suppliers for any work to be undertaken. The quotations must be submitted with the Capital Project Application to the DPPBC for approval.

10.02 Approval to Proceed

Small projects over twenty-thousand dollars (\$20,000.00) require the approval of the Parish Finance Committee, the Bishop and the DPPBC. This submission to the DPPBC must include:

- Capital Project Application Form.
- Copies of three (3) quotations, a minimum of two (2) is required.
- Recommendation by the Parish of the preferred contractor.

10.03 Contract

Contract for Small Projects, *Appendix "E"* provides an example of a contract to be used for Type 1 contracts. All contracts must be approved by the Director of Finance, Property and Administration, but may be signed by the Parish pastor on behalf of the Diocese.

10.04 Reporting

Type 1 projects require form "Reporting Requirements for Approved Capital Projects" be submitted to the DPPBC (two weeks prior to the meeting date) only once the project is fully completed and expensed.

11.0 Type 2 Projects: Building Repair or Renewal Projects of a Single Faceted Nature

11.01 Request for Project Approval

Projects of this type require the approval of the Parish Finance Committee, the Bishop and the DPPBC. This submission to the DPPBC must include:

- Capital Project Application Form (10.02)

- A Feasibility Statement describing the details of the project and how it will be paid and/or financed. (See section 6.0).
- Relevant reports from qualified trade Consultants/Tradespeople describing the deficiencies and remedies.
- Copies of 3 quotations.
- Recommendation by the Parish of the preferred contractor (form 10.02)

11.02 Quotations

For building projects of this project type, the Parish must obtain a minimum of three price quotations from tradespeople or suppliers and must submit the preferred quotation and payment schedule to the DPPBC for approval.

11.03 Consultation Meeting

If there are issues of concern to the Bishop, special financial considerations, or if the Pastor wishes to utilize the resources of the Diocese for advice, a meeting may be convened between the Parish representatives and the Director of Finance, Property and Administration to discuss the proposal.

In some instances, this initial meeting may involve a site visit and building orientation tour to better understand the nature of the proposal.

11.04 Approval by the Bishop

Provided the submission is complete and the Bishop agrees with the Parish of the need of the project, the Parish will receive written approval from the Bishop or delegate i.e. Director of Finance, Property and Administration and permission to proceed without further consultation. Contracts will be required to be drafted by parishes, reviewed and approved by the Director of Finance, Property and Administration. Where there is some difficulty with its approval, the Parish will be asked to reconsider one or more aspects of the project and resubmit documents as required by the Bishop's delegate i.e. Director of Finance, Property and Administration.

11.05 Contract

Contract for Small Projects, Appendix "E" provides an example of a contract to be used for Type 2 contracts under \$100,000 – a contract must be utilized for Type 2 projects. For fixed price contracts more than \$100,000 the appropriate contract is the CCDC 2.

All contracts must be approved by the Director of Finance, Property and Administration, but may be signed by the Parish pastor on behalf of the Diocese.

11.06 Reporting

Type 2 projects require form “Reporting Requirements for Approved Capital Projects” be submitted (two weeks prior to the meeting date) to the DPPBC twice during the project duration. Firstly, when project is 50% complete and a final report once the project is fully completed and expensed.

12.0 Type 3 Projects: Major Building Projects, Additions and New Churches

12.01 Description

Projects of this type involve substantive changes to existing structures, including major additions, redesigns or new designs for architectural, structural, mechanical and electrical systems, exterior building components and interior floor plans. By their nature they affect the building envelope and site plan elements.

Projects in this classification include new churches, administrative buildings, residential homes, landscaping and any ***projects which affect the character of the worship space, irrespective of the value of such change.***

Projects in this classification are subject to an intense review by the Diocese, entail multiple submissions and require sequential approvals. These projects involve detailed consideration and review by the Bishop, Director of Finance, Property and Administration, Director of Finance, Property and Administration prior to going to the DPPBC.

12.02 Request for Consideration

The first obligation of a Parish for a project of this type is to submit a written request (template 12.02) to the Bishop or delegate i.e. Director of Finance, Property and Administration for consideration of the project and permission to undertake preparation of a Feasibility Statement (See section 7.0.).

12.03 Feasibility Statement

The Parish must undertake the preparation of a Feasibility Statement that documents the need, describes the project in detail and confirms that it is financially reasonable and attainable.

The definition of the precise needs of the project and determination of objectives is particularly significant for projects of this scale.

When the study has been completed to the satisfaction of the Parish Building Committee, the Feasibility Statement, with supporting documentation, should be submitted to the Director of Finance, Property and Administration for review. The Director of Finance, Property and Administration, in conjunction with the Bishop, will examine these documents to ensure that the objectives of both the Parish and Diocese are consistent, appropriate and attainable.

12.04 Consultation Meeting

At this stage, a meeting will be convened between the Parish representatives and the DPPBC to discuss the proposal. The purpose of this meeting is to give the Parish the opportunity to describe the proposal, to offer clarifications and to obtain input and advice from the DPPBC.

At this meeting the expectations and responsibilities of the Parish will be discussed, the preliminary cost considerations will be reviewed and the ground rules for the project will be generally established. Recommendations to the Parish on the hiring of Professional Consultants with relevant experience can be provided by the DPPBC.

Discussion will also include site planning considerations, design constraints, regulatory considerations and required municipal approvals.

In some instances, this initial meeting may involve a site visit and building orientation tour to better understand the nature of the proposal.

Also at this meeting the Feasibility Statement will be provided to the DPPBC. The Committee will review these statements and provide recommendations to the Bishop regarding the project. In the case where there is some difficulty with the Feasibility Statement, the Parish may be asked to reconsider one or more aspects of the project and resubmit the feasibility statement.

12.05 Approval of Feasibility Statement by the Bishop

Following its consideration by the DPPBC, the Feasibility Statement will be referred to the Bishop who will review the documentation and accompanying recommendations. If satisfactory, the Feasibility Statement for the project will receive written approval from the Bishop and permission to proceed to the next stage.

12.06 Engagement of Professionals

With the approval of the feasibility Statement, the Parish may begin the process of selecting a Professional. (See Section 8.0)

When complete, the Parish must recommend the preferred candidate to the DPPBC. If the Committee is satisfied with the recommendation of the Parish, the Professional will be required to enter into a contract with the Diocese in the respective standard prescribed form for such services.

It is emphasized that only the Diocese may approve Pastors to execute contracts for a Type 2 and 3 Projects, Director of Finance, Property and Administration is the authorizer/signing authority.

12.07 Site Plan Agreement

The first task at this initial design stage is for the Professionals (typically an Architect or Engineer) to become familiar with the project's design objectives and to determine the planning constraints that affect the site and project.

In projects involving new construction or expansion to structures, it is particularly important that site planning considerations and constraints be given careful attention. In many such instances, sites may be subject to design limitations, municipal planning restrictions, accessibility legislation and regulations. Examples of such considerations include Official Plan and Zoning regulations, parking requirements, site plan agreements, private agreements with adjoining owners, driveway and access limitations, easements and rights of way, storm water management issues, grading, landscaping and other planning constraints.

Professionals must consult with the Diocese regarding pre-established site plan constraints for Diocesan properties and with municipal authorities regarding specific procedural approvals.

Following this analysis, the Professional must prepare a concept plan depicting where the project will be placed on the site, how it responds to the identified site plan constraints and which approvals will be required to implement the proposal.

12.08 Review and Approval by the Bishop

This Site Plan Agreement requires the written approval of the Bishop. The Type 3 Project may not proceed past this point in the design process without written approval of the Bishop.

12.09 Preliminary Design and Drawings

The preliminary design stage of the Type 3 Project is a critical determinant of the ultimate success of a project. Careful consideration must be given to the design to ensure that it not only reflects the objectives of the study process, but is attainable within the established budget, as defined in the Feasibility Statement (See Section 7.0).

The preliminary drawings prepared for this stage of the Type 3 Project must depict the building configuration and related construction proposals, interior floor plan layout, intended uses, occupant loads, relationships to other plan components, preliminary dimensions/areas, preliminary elevations and where appropriate liturgical needs.

They must also include a detailed site plan based on the approved Site Plan Agreement depicting the building location on the property and relationships to existing and adjoining structures and lands, driveways, pedestrian circulation, parking, vegetation and other significant site features.

12.10 Type 3 Project Budget

A Type 3 Project budget outlining construction costs, professional fees, costs of approvals, furnishings and any related expenses must be prepared based on the preliminary design and drawings. The time schedule for completion of the project, and a listing of the municipal and other approvals required for the project must also be outlined.

12.11 Review by Diocesan Property, Planning and Building Committee

When the Preliminary Design and Drawings and Type 3 Project budget have been completed to the satisfaction of the Parish, they must be submitted to the Director of Finance, Property and Administration for review.

Following the review by the Director of Finance, Property and Administration, the Preliminary Design and Drawings will be presented at the next scheduled meeting of the DPPBC.

The Professional along with the Parish Building Committee are expected to provide copies of the drawings and accompanying reports for the DPPBC. A delegation consisting of the Pastor, Professional, Building and Finance Committee Chairs is invited to this meeting, at which time they may make a brief presentation to the DPPBC and respond to any questions.

12.12 Approval of Preliminary Design by the Bishop

Following review by the DPPBC and upon endorsement of the recommendations of the DPPBC by the Bishop, the Parish may be given written approval to proceed to the next stage of the Type 3 Project. In some instances, the Parish may be given conditional approval to proceed subject to revision of certain elements of the project such as its design or cost. Alternatively, the Parish may be asked to redesign the project.

Because of the critical nature of this stage of the project in determining the outcome of the plans, it is particularly important that all issues be resolved at this point in the design process.

Written approval and/or written direction to modify the design will be provided and is required prior to proceeding with the detailed design of the project.

12.13 Detailed Design

Following the approval of the Preliminary Design and Drawings and Type 3 Project budget by the Bishop, the project may proceed to the detailed design stage. Upon completion of the detailed design stage, a further submission to the Diocese and recommendation for approval by DPPBC is required.

12.14 Detailed Site Plan and Engineering

The detailed site plan drawings must depict all elements of the site and their relationship to buildings on site and on adjacent properties, including driveway entrances, sidewalks, parking, landscaping areas, lighting, elevations, drainage, surface water impoundment areas, planting materials and vegetation.

Related engineering and servicing plans must also be provided depicting the location of sanitary, storm, water and electrical services, above ground and underground services and site grading and drainage.

12.15 Detailed Building Design

This detailed submission must include design documents consisting of drawings and other materials to describe in detail the size and character of the entire project, including the architectural, structural, mechanical and electrical systems together with materials, textures, colours and other elements. It must include the articulation of the liturgical and sacred elements of the design and acoustic considerations.

12.16 Renderings

In the case of new construction or additions to existing structures, the submission must include colour renderings of the elevations and if available virtual 3D models.

12.17 Type 3 Project Budget and Financing

The submission must include a revised project budget, a revised estimate of the construction costs and breakdown documenting site works, fees, furnishing and decor. The Parish Building Committee will be asked to present a report describing its financial status including five (5) year cashflow statements, with proposals for financing, documenting project attainability, cash flow and debt amortization. If fundraising is a part of the project financing, the details and cash flow of this aspect must also be documented and associated with the Diocesan Banking and Loan Policy.

12.18 Supplementary Reports

Reports documenting the status of municipal or other required approvals, and any applicable statutes, regulations, codes and bylaws which might have an adverse effect on the project must be provided and explained.

The submission must also provide an updated schedule for completion of the Type 3 Project.

Lastly, any requested special reports from liturgical and other consultants, such as acoustics must be presented.

12.19 Review by the Diocesan Property, Planning and Building Committee

When the detailed design drawings, project budget and financing proposals have been completed to the satisfaction of the Parish, they must be submitted to the Director of Finance, Property and Administration for approval by the DPPBC.

At the next scheduled DPPBC meeting, the detailed design proposals and related documentation will be reviewed.

12.20 Approval of Detailed Design by the Bishop

Following review by the DPPBC and upon endorsement of the Committee's recommendations by the Bishop, the Parish may be given written approval to proceed with working drawings and specifications preparatory to tender or may be given conditional approval to proceed subject to modifications. Alternatively, it may be requested to redesign parts of the project and return at a subsequent date or be deferred.

12.21 Construction Documents

Working Drawings and Specifications

Following the approval by the Bishop of the detailed design, the Professional must prepare construction documents consisting of drawings and specifications necessary for tender which prescribe the requirements for the construction of the project. This includes architectural, electrical, mechanical, structural drawings, schedules and construction specifications.

Final Submission to Diocese

Upon completion of these documents, the Professional and Parish must make a further submission to the Diocese which must include:

- The tender documents including the working drawings and specifications for the project.
- A revised project budget.
- Current information on outstanding municipal or other approvals adverse to the project, and difficulties with any other statutes, codes, regulations or bylaws.
- A time schedule for tender and construction completion.

Review by Diocesan Property, Planning and Building Committee

The DPPBC will review the submission and where deemed necessary, request the review of the final drawings and construction specifications.

Approval of Construction Documents by the Bishop

Following review by the DPPBC, and upon endorsement of the DPPBC's recommendations to the Bishop, approval will be given in writing by the Bishop to proceed to tender.

The Diocesan requirements for tendering and tender calls are described in section 13.0.

Application for Building Permit

With the approval of the final drawings and specifications, the Professional is authorized to make formal application for a building permit.

13.0 Tenders and Tender Call

Unless the Parish is specifically exempted from this requirement by the Diocese, the project must be tendered to qualified contractors, with the following general requirements:

13.01 Name of Owner

Tenders and contracts must be in the name of the owner, The Roman Catholic Episcopal Corporation of the Diocese of Peterborough in Ontario, Canada for '(insert name of parish)'. The owner's address is:

350 Hunter Street West, PO Box 175
Peterborough, Ontario
K9J 6Y8

13.02 Bonding Requirements

Construction projects typically involve multiple contractors with inter-dependent schedules and activities. When one contractor experiences difficulties performing its portion of the work, this may have a significant ripple effect on the entire project. Ultimately, a contractor's default may jeopardize timely completion of the work and significantly increase the cost to complete the project. Alternatively, an owner may hire only one contractor. However, if this contractor defaults in its obligations to perform the work, this could also significantly delay completion of the work and increase the cost of the project. When an owner or general contractor considers the risk of a defaulting contractor unacceptable, it usually will attempt to minimize this risk using construction bonding. Construction bonding is a method of redistributing the risks associated with construction projects. These bonds generally consist of a three-party agreement between a surety, a principal and an entity that will benefit from the issuance of the bond. Therefore, the

Diocese of Peterborough requires a 50% performance bond and a 50% Labour and Material Bond as a general condition to all construction contracts.

The contract must not show any liability on the part the Diocese for material delivered at the site, unless and until it is incorporated into the work.

13.03 Workplace Safety and Insurance Act, 1997 Coverage

The contractors invited to bid must produce evidence that they are in good standing with the Ontario Workplace Safety and Insurance Board (“WSIB”). Such evidence will be in the form of a clearance certificate issued by the WSIB, to be provided prior to the commencement of the project. If the contractor retains any subcontractors to perform any of the work, the sub-contractor must also provide a clearance certificate prior to any work being commenced (see *Appendix F, Requirements of the Workplace Safety and Insurance Act, 1997*).

13.04 Contractors Invited to Tender

Tenders will be called from qualified contractors who are invited to bid by the Diocese. The Professional, in consultation with the Diocese, must seek qualified contractors and must obtain from each prospective contractor a completed pre-qualification form. The objective of the Diocese is to identify a short list of at least six pre-qualified contractors through this process.

The Professional must also pre-qualify the mechanical and electrical contractors with a list of at least 6 such contractors.

All Tenders must indicate that the Tender may be amended or cancelled by the Diocese prior to the specified deadline, and that the Diocese is not obligated to accept the lowest or any Tender Bid.

13.05 Tender Bids

Only tenders which are complete in all details, devoid of reservations, accompanied by the specified documents and which are irrevocable for 60 days from the time called for presentation will be considered. Information required for tender bids is provided in *Appendix “G”*.

The Professional must ensure that the instructions to the bidders are clearly outlined and that the critical elements which qualify a bid for consideration are clearly specified.

The tender must be presented on time on the prescribed form.

The tender must give all the prices requested, contract, any alternative specified, any extra specified, any unit specified.

The Professional must name the price items which the tender requires.

The tender must be accompanied by a bid bond payable to the Diocese in the specified amount equal to 10% of the submitted tender bid.

The Tender must be accompanied by an Agreement to Bond for satisfactory completion. A list of all sub-contractors must be included. The designation of “own forces” for sub-contractors may invalidate the tender.

13.06 Tender Opening

Unless otherwise specified, tenders must be received at the Diocesan Pastoral Centre in Peterborough on the date and time stated. Tender opening will be private and must include the Pastor, Chair or representatives of the Parish Building Committee, the Professional supervising the tender and the Chair (or designate) of the DPPBC.

13.07 Review of Tenders

Following opening of the tenders, the Professional must review the submitted bids and ensure that all required documents are complete and acceptable and prepare a recommendation as to which tender bid the contract should be awarded.

This recommendation will be reviewed by the Chair of the Parish Building Committee, the Chair (or designate) of the DPPBC, and the Director of Finance, Property and Administration together with the Professional and a decision will be made to select the successful tender.

If the tenders are not acceptable, the Professional will receive instructions to resolve and clarify discrepancies or other problems and provide a recommendation to the Diocese.

13.08 Acceptance of Bids

The Diocese is not bound to accept the lowest bidder or any bidder. The acceptance of a Bid must be done in writing.

14.0 Award of Contract

- 14.01 Upon the recommendation of the DPPBC (based on the review of the recommendation of the Professional) and provided the bid is consistent with the project budget, the successful bidder will be notified and a contract (the appropriate Canadian Construction Documents Contract) will be executed between the Diocese and the successful

contractor. The Bishop alone has the authority to award and execute a contract for a project.

14.02 If the bids exceed the project budget, the project may be referred to the Professional for revision, as per contractual agreement.

15.0 Occupational Health and Safety Act and Volunteer Labour

15.01 The successful contractor upon accepting the project as outlined in the tender package must agree to assume the role of 'constructor' as defined in the Occupational Health and Safety Act and further must agree to undertake and execute the duties of the constructor.

15.02 Volunteer labour or services are not permitted on any construction project without the written permission of the Diocese and the General Contractor. Any volunteers must agree to release the Diocese and the General Contractor from any claims for damage to property or personal injury related to their participation in any project.

16.0 Liability and Property Insurance

16.01 The construction contract executed pursuant to section 14 of this Policy will include provisions with respect to insurance coverage for the protection of the Diocese and its officials, including Liability Insurance and Builder's Risk Insurance. The particular form and quantum of insurance coverage will be dependent on the value and scope of the project, and the construction contract will need to be reviewed and approved by the Diocese's legal counsel prior to execution.

17.0 Building Stage (Payment Process)

17.01 The cost of executing a project is the responsibility of the Parish. The sources of funds for a project may consist of funds on hand within the Parish, funds on deposit with the Diocese, loans from the Diocese, or Diocesan backed loans from conventional financial institutions.

17.02 When funds are required to pay for the progress draws or invoices, Parishes must utilize their funds on hand first, subsequently request those on deposit with the Diocese and then request loan funds as required and as previously arranged with the Diocese.

17.03 Payments for progress draws on the contract are made by the Parish, based on progress reports, invoices and certificates for payment which are provided by the Professional.

17.04 Parish requests for funds from the Diocese for progress draws must be made in writing with copies of the following documents:

- Copy of the Contractor's invoice/application for payment.

- Statutory Declaration by the Contractor respecting the payment of sub-contractors and suppliers.
- Current WSIB Clearance Certificate for the contractor.
- Copy of the Professional's Certificate of Payment.

17.05 Payments to general contractors are always subject to the holdback provisions of the Construction Lien Act (Ontario). See Appendix D.

18.0 Changes to the Projects

18.01 Changes affecting the contract price or schedule should be avoided as much as possible. No change to the contract price will be approved where a required change to construction design or specification is caused by an error or omission by the contractor or by the Professional.

18.02 Changes less than twenty-five thousand dollars (\$25,000.00) may be authorized in writing by the Pastor. If such change extends the project schedule it must be accompanied by a waiver from the contractor that there will be no claim for payment regarding this extension. It is not appropriate to organize changes in the project to bring the value of individual changes within this \$25,000.00 limit. A copy of the signed change order must be sent to the Director of Finance, Property and Administration.

18.03 The approval of the Director of Finance, Property and Administration is required for changes more than twenty-five thousand dollars (\$25,000.00) and for changes below this amount which are not accompanied by a contractor waiver regarding an extension of time.

18.04 Change orders submitted for approval of the Director of Finance, Property and Administration must include pertinent information regarding the change including drawings and specifications where appropriate. Such submissions must be accompanied by a letter from the Professional certifying that a full review of the change has been made, that the Professional agrees with the change, that the price of the change represents fair value and that the change is not a result of an error or omission of itself or the contractor.

18.05 Under no circumstances will a change in the work be made without a signed change order either from the Pastor or the Director of Finance, Property and Administration.

18.06 Any changes which affect the character of the worship space, irrespective of the value of such change must be submitted for review by the DPPBC and approved **by the Bishop.**

Pertinent documentation, including drawings, and specification must be provided to enable satisfactory review of the proposed change.

18.07 The Professional must provide the Director of Finance, Property and Administration with a summary of all change orders monthly.

19.0 Reporting

Type 3 projects require form “Reporting Requirements for Approved Capital Projects” to be submitted two weeks prior to every DPPBC meeting (typically 5 meetings per year) **for the entire duration of the project.**

20.0 Substantial Performance

20.01 20.01 The Professional must notify the Parish and DPPBC of Substantial Performance of the project. The due date for release of the holdback shall be ninety (90) days from such date of notification. Prior to issuing a Certificate of Substantial Performance, reference shall be made to the rules governing certification or declaration of substantial performance contained in the *Construction Lien Act*.

20.02 Upon this notification, the Diocesan solicitor will be requested to confirm that no liens have been placed against the project. If no liens have been levied, final payment can be issued.

20.03 Compliance with Agreements: The Professional must address all issues contained within Site Plan and Development Agreements to the satisfaction of the relevant municipality within 6 months of Substantial Completion.

20.04 As Built Drawings: Within 6 months of the completion of the project, the Professional must supply as built drawings to the Diocese and Parish in both hard copy and electronic format.

21.0 Legal Issues

21.01 It is equally important to ensure the Diocese and its Parishes proceed with any construction projects in accordance with applicable legislation, including obtaining any required building permits.

21.02 A number of statutes, and the regulations made under them, govern the construction and renovation of buildings, including the Ontario Building Code, the Fire Protection and Prevention Act, the Occupational Health and Safety Act and the Environmental Protection Act. Compliance with applicable legislation is mandatory.

21.03 Additions, renovations, restoration and new construction projects almost always require a building permit and the use of an architect and/or engineer because buildings in the Diocese are classified as “Assembly Occupancy” buildings under both the Ontario

Building Code and the Ontario Fire Code. Assembly Occupancy is defined as: “the occupancy or the use of a building, or part thereof, by a gathering of persons for civic, political, travel, religious, social, educational, recreational or like purposes, or for consumption of food or drink”. When undertaking the restoration or renovation of older or historic buildings, the architect and/or engineer retained should have demonstrated experience with older/historic buildings – in addition to an intimate knowledge of the Ontario Building Code and the Ontario Fire Code.

- 21.04 Many of the churches across the province of Ontario do not comply with the current *Ontario Building Code, the Accessibility for Ontarians with Disabilities Act or the Ontario Fire Code* although they were built to the act/code at the time when they were constructed. Depending on the nature of the work to be undertaken, the act/code deficiencies in the building may or may not have to be addressed. Often, municipalities have policies in place which require updating to current code even though the law, strictly interpreted, does not require it.