

# **AN INFORMATION PACKAGE**

## **DIOCESE OF NIAGARA**

### **CONTRACTING METHODS FOR BUILDING PROJECTS**

#### **A QUICK REFERENCE OR EXECUTIVE SUMMARY ON CONTRACTING METHODS**

**This information package describes contracting methods for the guidance of Parishes undertaking a building project. The methods described are Architect and General Contractor, Design-Build, Architect and Construction Manager, and Project Management.**

#### **1. ARCHITECT AND GENERAL CONTRACTOR**

- a. Owner retains Architect to design the building and to establish the standard of construction and finishes. Information is available through the Bishop's Office to assist Parishes in selecting an architect.
- b. Architect is responsible to the Owner and is the Owner's representative.
- c. Owner or Architect calls for competitive bids for the work.
- d. Owner enters into a formal contract with the selected General Contractor.
- e. General Contractor hires sub trades as needed.
- f. General Contractor carries all legal responsibilities and necessary insurances.
- g. Architect provides general supervision of the work and certifies invoices for payment by the owner.

#### **2. DESIGN-BUILD**

- a. Owner hires a Design-Build Contractor for a price which is not based on the final drawings.
- b. Design-Build contractor hires the Architect of his choice. The Architect is responsible to the Design-Build Contractor and not to the Owner.
- c. Architect designs the building under the direction of the Design-Build Contractor to meet the requirements of the Owner. The final drawings form the basis for the final price of the work. This price may be quite different from the original price or the design may be altered to keep the price within the budget of the Owner. This last could compromise the Owner's original concept as to space and style.
- d. Design-Build Contractor hires sub trades as needed.
- e. Design-Build Contractor carries all legal responsibilities and necessary insurances.
- f. Owner pays the Design-Build Contractor for the design and for the construction.
- g. The Regulations under Canon 4.6.1 require that if "the parish chooses to proceed by way of the Design-Build method, it must retain a qualified person, independent of the Design-Build contractor, to act as the parish's agent during construction".

### 3. **ARCHITECT AND CONSTRUCTION MANAGER**

- a. Owner retains Architect to design the building and to establish the standard of construction and finishes. Information is available through the Bishop's Office to assist Parishes in selecting an architect.
- b. Owner retains Construction Manager to:
  - i) provide construction input and prepare cost estimates during the design phase of the project,
  - ii) award trade subcontracts and coordinate the work of the sub-trades and may perform some of the work with its own forces,
  - iii) provide these services on a fee basis; the actual construction work is done on a "cost plus" basis
- c. The CCA-5 form of contract defines the Construction Manager as the Agent for the Owner. That means that the Owner (i.e. the Parish and ultimately the Diocese) is responsible for the actions of the Construction Manager, including all the liability under the Occupational Health and Safety Act. For this reason, the use of CCA-5 is not permitted for work done in the Diocese
- d. If a parish wishes to use the Construction Management method, the CCDC-3 form of contract must be used. This is a standard "cost plus" form of contract by which the Construction Manager is defined as the "Contractor" and assumes all the liabilities of a contractor. The scope of work in document CCDC-3 must be modified to reflect the scope of work to be performed by the Construction Manager.
- e. In accordance with the Regulations under Canon 4.6.1, the Parish must request and obtain Episcopal approval before entering into a contract with a Construction Manager. In order to assess any such request, the Bishop's Office must be provided with:
  - i) a statement of the intended Construction Manager's experience, including a list of completed projects and references and proof that the nominee is qualified in accordance with the requirements of the Ontario Building Code to undertake such work,
  - ii) a statement of the scope of services to be provided by the Construction Manager,
  - iii) a statement listing the fee and the cost items to be included in the fee and which cost items are directly reimbursable, and
  - iv) the name of the insurer who is prepared to provide the Builder's Risk and General Liability Insurance, including the limits proposed.
- f. To obtain Episcopal approval to commence construction, the Bishop's Office must be provided with:
  - i) a complete set of plans and specifications,
  - ii) a cost estimate based on those plans, and
  - iii) an upset cost which must not be exceeded without prior written approval of Corporation of the Parish; this upset cost is to be written into an addendum to the contract with the Construction Manager.

### 4. **PROJECT MANAGEMENT**

- a. This method is not suitable for the types of work undertaken by Parishes, and is normally only used for mega projects where the work can be divided into several discrete packages, each with its own design team and construction forces.