

Helpful Tips for Small Construction Projects

(\$20,000 or less)

**ACC Construction Department
Archdiocese of Los Angeles**

HELPFUL TIPS FOR AN EFFECTIVE PARISH & SCHOOL CONSTRUCTION PROJECT

(For Construction Projects that are \$20,000 or less)

These guidelines briefly highlight several notable issues in small construction projects. Please refer to the Archdiocesan Construction Policies & Procedures in the Archdiocesan Administrative Handbook for additional information.

DEFINE YOUR PROJECT NEED:

Determine what you need done and then plan on how to get it done.

Address the following:

- a. **Current Need:** Problem
- b. **How Project Satisfies the Need:** Solution
- c. **Cost Projection:** Cost for Solution
- d. **Available Parish Funding Resources**

Understand “needs vs. wants”

Exceeding one's budget is often related to one's failure to identify need. "Scope creep" is the enemy of all projects. Stay focused on current needs, and then when you are sure the project will reasonably fulfill your basic needs, then and only then, you might want to consider other elements in your plan. Know when to say no!

Establish goals and objectives

Keep in mind, without setting goals, there is no way of accomplishing them.

HIRING A CONTRACTOR:

1) ACC Recommended Vendors:

If you need assistance or if the job requires several specialty trades (such as Plumbing, Electrical, Mechanical, etc.), you can contact the ACC Construction Department for guidance and a referral to an ACC Recommended Vendor by calling: (213) 637-7850.

2) Ask and (really) Check for References:

Before selecting a contractor for a job, it is essential for you to ask for the Contractor's five most recent projects. Take some time and call those references and ask questions. A little work early on may save you a lot of work later.

3) Check Trade Affiliations:

Are the Contractors members of any local organizations, such as a contractor's association, or The Better Business Bureau? Membership in an organization does not guarantee quality workmanship; however, established contractors tend to be more active in trade groups.

web source:

Better Business Bureau <http://www.bbb.org>

4) Check on Licensing:

Construction Contractors in the State of California are required to be licensed by the California State License Board (CSLB). The CSLB can provide you with information about the Contractor, their insurance companies and also let you know if a Contractor's license is current and that there are no outstanding complaints on file.

web source:

California State Contractor's License Board <http://www.cslb.ca.gov>

phone: (800) 321-2752

5) Check on Insurance:

The Contractor should be able to provide you with Certificates of Liability Insurance both for general liability and worker's compensation (and in some cases Auto Liability).

6) Bidding:

Plan to obtain prices from various contractors to get the best possible price. Make sure you are bidding the same scope! Compare Apples to Apples! If each contractor gives you a different price with a different scope, you are comparing apples to oranges. You should clearly define the scope of work before you put a small project to bid. In addition to work, your scope should include the expected completion date, site conditions, weekend/Sunday Mass use, etc.

AGREEING TO A CONTRACT / PROPOSAL:

Proposals / Contracts: (Small Contracts that are \$20,000 or less)

1) Small Contracts:

Pastors and Principals are authorized to proceed under their own authority in Construction Contracts that are \$20,000 or less. Contracts above \$20,000 need to be authorized by the Archdiocese of Los Angeles, since the Archdiocese is the legal property owner. Approval is required from your Regional Bishop and Financial Services Department.

2) Your right to write!

Before agreeing to a proposal, you are in no way forced to accept the terms as issued to you by the Contractor's own contract. Read the contract carefully; if you disagree with a specific clause, cross it out and make sure both parties initial it before executing the contract. The ACC Construction Department simplifies this process by the use of an ACC standard "Contract for Small Construction Projects". This contract is available as a Resource in section 7.4.1 of the web based, online edition of the Archdiocesan Administrative Handbook. The small contract can be used along with proposals to ensure that all necessary terms and conditions are included to protect parishes and schools. If you are unsure about the contract terms or how to obtain the small contract, feel free to contact the ACC Construction Department for assistance at (213) 637-7850.

3) Important Specifications:

Make sure the contract clearly specifies the cost amount, payment terms, the scope of the work or service, the time of completion, and insurance.

4) DO NOT pay large deposits/upfront payments!

PAYMENTS:

- 1) Do not pay large deposits or sums of money upfront! Your final payment may give you that upper hand towards the end of the job. Retainage is the key word! The standard for retention amounts are usually (10%) ten percent of the total contract amount.
- 2) Inspect the work to assure compliance with specifications prior to each progress payment.

- 3) Get Receipts for each payment made, so that your records show payments made toward the contract.
- 4) Make sure to obtain the necessary Lien Releases. (see below for details)

LIENS (MECHANIC OR MATERIAL LIENS):

1) Preliminary Liens:

A written notice given to the property owner of a specific project by the subcontractors and any person or company furnishing services, equipment or materials to that project. The notice states if bills are not paid in full for the labor, services, equipment, or materials furnished or to be furnished, a mechanic's lien leading to the loss, through court foreclosure proceedings, of all or part of the property being so improved may be placed against the property even through the owner has paid the prime contractor in full.

The notice explains how the owner can protect himself against this consequence by:

1. Requiring the prime contractor to furnish a signed release by the person or firm thus giving the owner notice before making payment to the prime contractor or
2. Any other method or device which is appropriate under the circumstances. The State of California mandates that a *Preliminary Lien Notice* must be given to the property owner not more than 20 days after starting the work on the specific project.

Since the Archdiocese is the legal property owner, Preliminary Lien notices are usually mailed to the ACC. If you have any questions regarding liens, please contact us at (213) 637-7850.

COMMUNICATION:

1) Who's the Boss?

Establish a chain of command; keep communication lines open. Make sure contractor understands who the main Parish/School contact is. Avoid non-authorized personnel becoming or directing the contractor without your knowledge.

2) Choose those Pretty Paint Colors Early On!

Select paint or finish schedules before the work and contract begins (if possible). You will then know that you will get the color and design of the tile you want at no extra cost. This will also give you extra time to meet with your parish board if necessary and eliminate costly changes and delays when the work is in progress.

3) Make no Assumptions!

Communicate with the Contractor on issues arising during construction as soon as possible. Do not assume the contractor is a mind reader!

CLOSE-OUT:

✓ Is it Complete?

Contracts are generally substantially complete when 97.5% of the job is complete. You can withhold your final retainage payment until full completion!

✓ Receipt of Proper warranties for work/service

- ✓ **Receipt of Mechanic's Lien releases**
- ✓ **Final Inspections by the Building Departments /engineers if permits are involved.**
- ✓ **Resolution of all outstanding claims and issues.**
- ✓ **Maintenance Requirements!**

MAINTENANCE:

Maintenance Manuals:

Schedule required maintenance as required or recommended.

General Building Maintenance: *(Commonly forgotten)*

Examples include yearly cleaning of gutters and as needed, painting, exterior washing, etc.

Regular Site Inspection:

It is necessary to perform a visual inspection of the facility to help identify problems developing in their early stages.

- **Early Action:** Address problems as soon as possible.
(The danger of out of sight out of mind)
 - Obtain cost estimates for budgeting
 - Prioritize
- **“Late Action”:** Deferred maintenance can cause costly emergency repairs.
 - **Emergency repairs:** Losing the ability to plan, or budget on your own terms.

LAST BUT NOT LEAST...

Build Consensus – notification

Awareness is only the beginning, you must communicate these problems, and then construct an effective call of action (notify the required Archdiocesan Departments early on).

Understand the process and your role in it!

Whether the project is large or small, understanding the process to get the job done properly is the key to completing it successfully. Most importantly, you should identify your role in the process and identify the resources available to you and the Parish/School to complete the project.

ARCHDIOCESAN RESOURCES:

ACC Construction Office

phone: (213) 637-7850
email: construction@la-archdiocese.org

Archdiocesan Website:

(For a complete listing of Archdiocesan Resources) www.la-archdiocese.org