

## **PRESBYTERY OF CHICAGO**

### **Properties Ministry Team GUIDE # 3**

#### **TITLE: HOW TO SELECT AND HIRE A CONTRACTOR**

The congregation is the steward of the buildings it needs for its ministries. This stewardship is a necessary part of its overall ministry. The Book of Order G-10.0102o defines this session responsibility: To provide for the management of the property of the church, including determination of the appropriate use of church buildings and facilities, and to obtain property and liability insurance coverage to protect the facilities, programs, and officers, including member of the session, staff, board of trustees, and deacons.

#### **PURPOSE OF THIS GUIDE**

The purpose of this web-publication is to review the issues and procedures related to the selecting and hiring of a contractor or contractors.

#### **Construction contractors:**

Contractors specialize along lines similar to architects and engineers: general, HVAC, plumbing, electrical and a variety of specialties. Standards for Owner-Contractor Agreements are available through the American Institute of Architects (AIA). When an architect is employed, he/she will normally guide the owner through a selection process. Contractors should must evidence of licensing by the state and, where required, by the local community for the services they render and their insurance carriers should provide certification to the owner of insurance coverage naming the church as Additional Insured including commercial liability (including completed operations) and workers compensation.

#### **Maintenance contractors:**

Many churches employ custodial and grounds maintenance companies and have standing agreements with independent contractors for (for example) seasonal maintenance of HVAC systems. All such relationships should have written agreements stipulating services provided, schedules, base fees and extras, liability insurance and bonding requirements.

#### **The Owner-Contractor Relationship:**

In summary, the key factors in selecting and hiring a contractor are to establish:

- 1) what work is needed
- 2) that the prospective contractor is experienced in the work
- 3) that the prospective contractor is licensed and insured to perform the work
- 4) that past clients have been satisfied with the performance of comparable work
- 5) that the price for the work is appropriate.
- 6) that the contractor can schedule the work to coordinate with church calendar, weather, etc.

Many churches have established relationships with one or more contractors with whose services they have been satisfied in maintaining, servicing and repairing one or more of their heating, electrical, plumbing, security or roofing systems. In most cases when the church has determined that work is needed, these churches consult with a particular contractor when determining the scope of work. When the work is of modest scope, the trusted contractor will be contracted to perform the work either on a fixed price or time-and-materials (T & M) basis with a not-to-exceed price as appropriate.

However, when a church has not established or has lost satisfactory contractor relationships or when the scope of work suggests a search beyond familiar firms, the church is faced with how to find a contractor on which to rely.

When the work is of larger scope involving one or more than one contractor, it is prudent for a church to consider taking bids based on a written Project Description prepared by a consultant or member knowledgeable about the work needed. When only one type of contractor is needed, this description can often be provided by the church in consultation with a familiar or recommended contractor and given to two or three recommended bidders as a basis for bids and selection.

However, if the work involves a major change of system or when more than one type of contractor is needed (e.g. general work, heating, plumbing and electrical), an Architect or technically trained Project Manager should be retained to prepare a Project Description that coordinates the different trades and if needed to oversee the work in the field; the Project Description may include both written ("Specifications") and graphic ("Plans") elements.

## **SELECTING A CONTRACTOR**

As listed above, a contractor should be able to demonstrate<sup>1</sup> a record of experience (5 years minimum suggested); 2) insurance for commercial liability (**see Guide #6**) and workers' compensation (as required by Illinois law); 3) copy of license for the trade for which they are being employed (state and, if required, local) and 4) a record of satisfied clients for comparable work that the church may contact. These should be requested by the owner and furnished by the contractor being considered.

In addition, the PMT Web-pages include a list of contractors (see Referrals) whose names have been provided by churches for whom they have performed satisfactorily. Notwithstanding the referral, the church should nonetheless obtain from any contractor items 1 through 4 in the above paragraph.

**FOR PROJECTS TO REPAIR OR REPLACE DETERIORATED, BROKEN OR OBSOLETE ITEMS (e.g. furnace or boiler, obsolete electrical service, roofs, exterior walls)**

Mechanical, Electrical: Prospective mechanical or electrical contractors should be interviewed, their recommendations taken under consideration, the best of these incorporated in a Project Description and distributed back to three prospective bidders for a firm proposal. If a contractor recommends significant changes to the operation of the system, there can be benefits to having a professional mechanical engineer review the proposals and to consolidate the bids to avoid "apples and oranges" confusion.

Roofing: For re-roofing, the issue can be complicated especially for flat or low-slope roofs, because there are a number of different types and proprietary systems of roofing offering different pros and cons. Unless the church intends to replace a roof that has worked well with an identical system, it may be worthwhile to employ a Roofing Consultant to analyze the church's roofing need and provide a document for competitive bidding. (See Referrals-Consultants)

Exterior Walls: Exterior masonry repairs need to have a Project Description that addresses adequate joint preparation (removal of loose and outermost  $\frac{3}{4}$ " of old mortar) and proper application of new mortar both for keeping water out and appearance. Not infrequently, deteriorated lintels over windows and doors may need to be replaced as well as individual

deteriorated bricks or stone replaced. Because poor performance can ruin the appearance of a masonry wall, the selection of contractor and the review of prior work is very worthwhile. There are many competent masonry contractors.

For other kinds of work, churches are invited to consult with PMT for recommended procedures.

**IMPORTANT NOTE:** If a low bid is surprisingly lower than two other bids, this may be a sign that some work has been excluded or misunderstood that may invalidate the bid; then, unless this discrepancy is clarified, the church should move to the second lowest bid. Of particular concern are issues of public safety and/or code compliance that may be jeopardized by the search for a low bid or project economies.

#### **FOR PROJECTS TO MODERNIZE OR UPGRADE OR REPLACE ENTIRE SYSTEMS**

In these cases, Illinois-licensed engineers (either in separate practice or employed by more sophisticated contractors) should analyze the systems (e.g. electrical, plumbing, heating, security or other) and, in consultation with the church, prepare a Project Description for obtaining bids as above.

#### **FOR ADDITIONS TO OR REMODELING OF BUILDINGS**

Because such work usually requires coordinated design and construction of the work of various trades, virtually every community will require that Illinois-licensed architects and engineers (see Referrals-Consultants and PMT Guide #4: Hiring an Architect) be employed to provide services and documents needed to obtain building permits and to provide documents that require contractors to comply with codes and other aspects of public safety.

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