



Policies and Procedures Design and Construction Services

Ecclesiastical Properties Secretariat

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Table of Contents

Table of Contents	1
1 Introduction	1
2 Administration of Policies and Procedures	2
2.1 Office of Design and Construction Services	2
3 Contracting with Approved Consultants	3
3.1 Approved Consultants.....	3
3.2 Third-Party Owner’s Project Managers.....	3
3.3 Contract Preparation and Execution.....	3
3.4 Insurance and Bonds	4
3.5 Conflict of Interest	4
4 Overview of Project Procedure	5
4.1 Phase 1 - Project Initiation	6
4.2 Phase 2 - Schematic Design & Preliminary Budget.....	8
4.3 Phase 3 –Construction Documents, Permitting and Bidding.....	9
4.4 Phase 4 - Construction.....	11
4.5 Phase 5 – Warranty & Maintenance.....	14
5 Funding of Policy	15

1 Introduction

John G. Noonan, Bishop of the Diocese of Orlando, has promulgated these Policies and Procedures for all new construction projects, renovations and additions considered *Acts of Extraordinary Administration*, generally defined as projects with a cost or value exceeding \$25,000 (herein collectively referred to as "Projects") within the Diocese of Orlando.

The purpose of the Policy is to accompany, guide, and support parishes, schools, and related entities (hereinafter collectively referred to as the "Diocesan Entity") through the construction process. The Policy is intended to manage the patrimony of the Church in a manner which is responsible, efficient, and required by Canon Law. Each Project shall consider the bishop's diocesan priorities and Pope Francis' 2015 encyclical, "*Laudato Si'*" (*On Care for Our Common Home*) by minimizing impacts to wetlands, preserving protected species, and creating energy-efficient environments.

The following policies and procedures combine the Diocese's historical experience with construction Projects with an inter-disciplinary process emphasizing planning, preparation, documentation, and proactive monitoring of the construction process. These policies and procedures are applicable to all Projects. However, certain circumstances may justify slight deviations, as recommended by the Secretary of Ecclesiastical Properties and approved by the bishop.



For Projects with a cost or value less than \$25,000, the Diocesan Entity shall be responsible for utilizing qualified contractors that meet minimum insurance requirements for the Project size and scope. The Diocesan Entity may seek support from the Office of Design and Construction Services to select contractors, contract for services, and oversee the work.

Only the Bishop (or COO or CFO at the Bishop's designation) may execute a Diocesan Agreement, Notice of Commencement, and/or permit application. Should one of these documents be necessary for a Project, the Diocesan Entity shall forward the documents to the Office of Design & Construction Services, along with an executive summary of the Project and copy of contractor's Certificate of Insurance

2 Administration of Policies and Procedures

The Policy is overseen by the Diocesan Design and Construction Services Committee and administered through the Ecclesiastical Properties Secretariat, specifically by the Office of Design & Construction Services.

2.1 Office of Design and Construction Services

The primary purpose of the Office of Design and Construction Services is to oversee the administration of this Policy and to accompany, guide, and support the Diocesan Entity regarding this Policy. The primary administrator for this Policy is the Secretary of Ecclesiastical Properties. The Secretary of Ecclesiastical Properties and the Office of Design and Construction Services serve as the primary points of contact between the Diocese and the Diocesan Entity. Specifically, the services provided by the Office of Design and Construction Services include:

1. Administration of the process of master planning properties
2. Identifying Architects, Contractors, Engineers and consultants who shall be approved by the Diocesan Design and Construction Services Committee to provide services to the Diocese and Diocesan Entities. These approved Architects, Contractors, Engineers, Owner's Project Managers and consultants shall be referred to as "Approved Consultants"
3. Managing the Diocese's Master Agreements with Approved Consultants (hereinafter "Master Agreements"). These Master Agreements shall set forth the terms of the parties' relationship for all work to be performed on Projects. The engagement of Approved Consultants for a Project will thereafter incorporate the terms of the Master Agreement
4. Monitoring performance of the Approved Consultants under Master Agreements, and maintain the list of Approved Consultants
5. Ensuring design and construction practices promote sustainability
6. Oversight of construction progress and proactively monitor the successful progress of a Project
7. Coordination of activities of independent Owner's Project Managers
8. Providing services of Owner's Project Manager in certain circumstances
9. Maintaining all records of construction for all Projects
10. Administration of the activities of the Diocesan Design and Construction Services Committee

3 Contracting with Approved Consultants

3.1 Approved Consultants

The Office of Design and Construction Services shall maintain a list of Approved Consultants, which shall include Architects, Contractors, Engineers, Owner's Project Managers and other construction consultants approved by the Diocesan Design and Construction Services Committee to provide services to the Diocese and Diocesan Entities.

The Office of Design and Construction Services in conjunction with the Diocesan Design and Construction Services Committee shall develop such applications and criteria as deemed appropriate to determine whether a professional consultant may become an Approved Consultant. The Diocesan Design and Construction Services Committee shall determine whether an applicant may be on the list and whether they meet the stated criteria. Any such decision shall be within the sole, exclusive and absolute discretion of the Diocesan Design and Construction Services Committee.

The Office of Design and Construction Services shall monitor the performance of the Approved Consultants, review their performance on Diocesan Projects and may make determinations from time to time to maintain or remove a Consultant from the approved list or to otherwise modify or remove the Consultant's status as an Approved Consultant.

3.2 Third-Party Owner's Project Managers

Third-party Owner's Project Managers shall be utilized for Projects with budgets in excess of \$5,000,000, as well as Projects with budgets under \$5,000,000 at the discretion of the Secretary of Ecclesiastical Properties. A third-party Owner's Project Manager may be contracted any time prior to the selection of the general contractor, as determined by the Project complexity and capacity of the Office of Design and Construction Services.

3.3 Contract Preparation and Execution

Diocesan Office of Design and Construction staff shall be responsible to prepare, circulate for execution and distribute all Agreements and Requests for Proposal, in coordination with Diocesan Construction Counsel. Those such agreements shall be signed by the Pastor/President upon receipt from the Office of Design and Construction. Permit applications and Notices of Commencement shall only be signed by the Bishop (or COO or CFO at the Bishop's designation).

3.4 Insurance and Bonds

All contracts shall include insurance provisions naming the Diocese of Orlando and its mortgagees, if any, as additional insureds. The Policy shall include the condition that it is primary, and that any liability insurance maintained by Diocese of Orlando or any other additional insured is excess and non-contributory. Without limitation, policies and certificates of insurances shall specifically be issued to, and the certificate holder shall be named as: “[Entity Name] and *John G. Noonan, as Bishop of the Diocese of Orlando, his successors and assigns, a corporation sole, Diocese of Orlando Chancery Offices, 50 East Robinson, Orlando, Florida 32801*”. The policy and certificate holder shall receive thirty (30) days written notice prior to cancellation of the policy for any reason, including non-payment of premium."

Architects, Contractors or Consultants shall not commence work under any agreement until it has obtained all insurance required hereunder and as specifically set for in the agreement. The service provider acknowledges that it shall comply with all insurance requirements specified in the procurement documentation and the contractual agreement entered into with the Diocese of Orlando. True copies of policies evidencing such insurance (including any renewal and or update) must be submitted to and approved by Diocese of Orlando.

Any and all work to be performed pursuant to this Policy and by any service provider, shall be protected by a Payment and Performance Bond in the full amount of the contract sum. The Diocese will not permit work to be performed without a Payment and Performance Bond. There shall be no waiver of the Payment and Performance Bond requirement except in writing and executed by the Secretary of Ecclesiastical Properties.

3.5 Conflict of Interest

The Diocese of Orlando has promulgated its Code of Governance, including a comprehensive Conflict of Interest Policy. All construction service providers (including consultants, service providers, architects, engineers, materials suppliers and contractors (“Contracting Parties”)) are to exercise particular care to operate in compliance with the Diocese of Orlando Conflict of Interest Policy to the extent that any Interested Person within the Diocese of Orlando, has any Financial Interest in such Contracting Parties.

To the extent that any Contracting Parties have any person within their organization (at the time of entering into the transaction/agreement or during the term thereof) that might benefit directly or indirectly from the transaction or agreement between the Diocese of Orlando and such Contracting Party, due to the role of an Interested Party serving as an employee, director, officer, committee member, board member or other fiduciary role within the Diocese of Orlando, such Contracting Party shall immediately disclose the relationship and pursue the promulgated procedures for disclosure and determination set forth in the Diocese of Orlando Conflict of Interest Policy.

Violation of the Diocese of Orlando Conflict of Interest policy may result in the termination of the employee, director, officer, committee member, board member or other fiduciary role with the Diocese and/or the disqualification and/or termination of the Contracting Party’s transaction or agreement.

4 Overview of Project Procedure

A completed Project will progress through five (5) phases. Each phase includes certain milestones or approvals that must be received prior to advancing to the next phase.

Phase	Description
1	Project Initiation
2	Schematic Design & Preliminary Budget
3	Construction Documents, Permitting and Bidding
4	Construction
5	Warranty & Maintenance

The procedures in each phase are described in the following pages and summarized in Exhibit A.

4.1 Phase 1 - Project Initiation

The beginning of any Project shall begin with contacting the Office of Design and Construction Services (“D&C”) to manage the procedures outlined in this Policy. D&C staff will assist the Entity in this initial phase by evaluating the Entity’s needs, reviewing the procedures for a Project, and ensuring preliminary feasibility assessments are completed. Upon completion, proposals will be solicited from Approved Consultants for the Schematic Design of the Project. Prior to entering into an agreement with Approved Consultants, the Entity shall obtain approval from the Parish Finance Council (PFC), Diocesan Finance Council (DFC), and Bishop.

- 1. Contact the Office of Design and Construction Services**

D&C staff will accompany, guide, and support the Entity through the Project.

- 2. Research of Entity’s Property File**

D&C staff will coordinate with the Office of Planning & Real Estate and Diocesan Counsel to review the existing site master plan, zoning, land use, entitlements, and building approvals.

- 3. Conduct Site Visit**

D&C staff will evaluate the current conditions of the Entity’s property and discuss the preliminary plans in person with the Entity’s Pastor, President, Business Manager, or their representative.

- 4. Preliminary Financial Feasibility Analysis**

The Entity and D&C staff shall inform the Office of Finance of the potential Project to determine the Entity’s financial capacity, including cash on hand, DSF loan, and/or capital campaign. Should a capital campaign be needed to fund the Project, the Entity and D&C staff shall discuss the campaign strategy with the Catholic Foundation of Central Florida (“CFOCF”) to learn the process and timeline for the campaign and initial wealth screen or feasibility study

- 5. Formation of Entity Project Building Committee**

Should the Preliminary Feasibility Analysis indicate the Entity can likely afford or raise sufficient funds for the Project, the Entity shall form a Project Building Committee of no more than five (5) members to work with D&C staff and advise the Pastor and Business Manager. If a larger committee has previously been formed, a smaller sub-committee of no more than five (5) members shall be established to periodically meet with D&C staff during normal business hours and report back to the full committee, should the Project progress to future phases.

6. **Architectural and Engineering Services Request for Proposal**

The Project Building Committee and D&C staff will review the list of Approved Consultants and select those to send a Request for Proposal (RFP) for the Project. The RFP will be generated by the Owner's Project Manager, which shall include the scope of services to develop a schematic design and site masterplan (*if applicable*).

7. **Architect and Engineer Selection**

The Owner's Project Manager will create a matrix of the proposals to compare the scope of services, price and timeline provided in each and then review with the Project Building Committee and Pastor to select the preferred consultants.

8. **Approval from Parish Finance Council**

The Entity shall seek approval from its Parish Finance Council or Board of Directors to incur the costs associated with creating the Schematic Design, prior to submitting application to the Diocesan Finance Council.

9. **Application to Diocesan Finance Council – Schematic Design**

D&C staff shall assist the Entity with the preparation of an application to the Diocesan Finance Council to proceed to Phase 2. The requested amount should include the proposed consultant fees, anticipated additional services, reimbursements, contingency, any fees payable to CFOFC, and D&C fee as detailed in Section 5 of this Policy.

Upon completion of the above, advance to Phase 2 

4.2 Phase 2 - Schematic Design & Preliminary Budget

The preliminary schematic design and cost estimate developed during Phase 2 provides the Entity with a visualization of the proposed Project, a 'Rough Order of Magnitude' budget, and preliminary schedule.

1. **Agreement with Architect**

The Agreement with the Architect and other Approved Consultants for the scope of services in Phase 2 will be completed.

2. **Develop Preliminary Project Schedule**

A Project milestone schedule will be developed to estimate the timing for major activities from Architect selection through construction and warranty.

3. **Generate Schematic Design Drawings and Narratives**

The intended uses of the Project will be established through a series of workshops with the Entity, Architect, and Owner's Project Manager. The proposed uses will guide the Architect to create a schematic design package including a master plan (*if applicable*), interior / exterior elevations, floor plans, and MEP narratives.

4. **Obtain Preliminary Cost Estimate**

The schematic design package will be used to develop a preliminary *Rough Order of Magnitude* cost estimate from an independent resource. This preliminary estimate will be provided to the Office of Finance to determine whether the Project as designed is affordable.

5. **Capital Campaign (If applicable)**

The schematic design and preliminary cost estimate will be provided to CFOCF to develop the capital campaign material.

6. **Approval from Parish Finance Council**

The Entity shall seek approval from its Parish Finance Council or Board of Directors prior to submitting application to the DFC.

7. **Application to Diocesan Finance Council - Construction Docs / Capital Campaign**

The requested amount shall include all costs to create a permissible set of drawings. In addition, the entity shall seek approval of the capital campaign (*if applicable*).

Upon completion of the above, advance to Phase 3 

4.3 Phase 3 – Construction Documents, Permitting and Bidding

The Project design becomes defined to the point that significant revision is unlikely. Construction Documents are finalized, a general contractor is selected, and the final Project budget is developed for final approval by the Parish Finance Council, DFC, and bishop. Based on the circumstances of each project, the Project Manager will recommend and execute the preferred strategy for third-party cost estimating, utilizing a Construction Manager, applying for permits, and soliciting bids from general contractors.

1. **Agreement with Architect and Engineer**

The Agreement with the Architect and other Approved Consultants for the scope of services in Phase 3 will be completed.

2. **Engage Third-Party Owner’s Project Manager (if applicable)**

If a Third-Party Owner’s Project Manager is required or preferred, pursuant to Section 3.2 of this Policy, D&C staff and the Entity will select an Approved Consultant oversee the remainder of the Project.

3. **Design Development, Construction Documents, & Specifications**

The Schematic Design becomes more detailed and understandable. The Architect refines the plans and elevations, describes basic building systems and materials. The size, scale, and scope of the project are refined, and all the building systems are determined.

HVAC control systems shall be provided by the HVAC equipment manufacturer, when possible, in lieu of third-party systems. The project mechanical engineer must specify control systems that are non-proprietary so that multiple vendors may provide service and easily operable by the entity

The use of any third-party control systems must be approved by the Secretary of Ecclesiastical Properties during the design process.

An independent consultant shall be engaged to review documents and identify potential design defects and recommend alternatives.

The Architect then produces detailed Construction Documents, which give the contractor a set of instructions to convert the two-dimensional concepts into three-dimensional reality. The Construction Documents include a detailed set of drawings and written specifications called the project manual.

4. **General Contractor Bidding and Selection**

The Project Building Committee and Owner’s Project Manager will review the list of Approved Contractors and select those to send a Request for Proposal (RFP) for the Project. The RFP will be generated by the Owner’s Project Manager and will include the

specific requirements for the project including, project specifics, Construction Documents, contract template, insurance requirements, dates for the pre-bid meeting, due date for the RFI's and the time, date and location when the bids are due.

The Owner's Project Manager will create a matrix of the proposals received to compare the scope of services, price, and timeline provided in each and then review with the Project Building Committee and Pastor.

Interviews should be conducted with top bidders to discuss Project details and expectations. The Contractor's understanding of the Project should be established to ensure proposals include all relevant costs expected to complete the project. After the completion of the interviews and review of the bid summary, the Entity will select the General Contractor they would like to engage for the project.

5. **Final Project Budget**

Once the General Contractor is selected, the Owner's Project Manager will use the successful contractor's bid to finalize the Project Budget. The Owner's Project Manager shall collaborate with the Architect and Contractor to identify potential cost savings through allowances, alternates, and contingency, without sacrificing quality of construction. The Final Project Budget will include the contractor's bid amount and other related expenses, including professional fees, governmental fees, miscellaneous costs for equipment and furniture, and a project contingency.

6. **Approval from Parish Finance Council**

The Entity shall seek approval from its Parish Finance Council or Board of Directors, of the proposed Final Project Budget and DSF Loan (*if applicable*) prior to submitting application to the Diocesan Finance Council.

7. **Application to DFC – Final Project Budget and DSF Loan (*if applicable*)**

The request should include the Final Project Budget (including the D&C fee as detailed in Section 5 of this Policy) and DSF loan amount (*if applicable*).

Upon completion of the above, advance to Phase 4 

4.4 Phase 4 - Construction

Upon final approval by the DFC and Bishop to proceed to the Construction Phase of the Project, the Contract Agreement will be executed with the General Contractor; permit applications submitted (if haven't been previously); and construction of the Project commences. Upon receipt of the Certificate of Occupancy, the Project closeout process begins, and the building is dedicated by the Bishop.

1. **Agreement with General Contractor**

Agreements between the Owner and the General Contractor shall be either a Lump Sum Contract or Guaranteed Maximum Price (GMP) Contract, as determined by the Project cost and complexity.

D&C staff will determine the appropriate Agreement for the Project. Lump Sum contracts will utilize either the Diocesan *Short Form Construction Contract* or the *AIA A105-2017 Standard Short Form Agreement between Owner and Contractor*. GMP contracts will utilize either the *AIA A105-2017 Standard Short Form Agreement between Owner and Contractor* or the *AIA A133-2009 Standard Form of Agreement between Owner and Construction Manager as Constructor*. An appropriate contingency will also be included in the Project Budget to cover any cost overages that may occur throughout construction.

2. **Permitting**

For small and medium size Projects, the Contractor typically applies for the permits. For large projects where permitting can be more complicated, the design professional (Architect, Civil Engineer) typically applies for the permit in Phase 3.

Permit applications that require a drawing review may be submitted prior to the completion of the Contractor bidding process. It is anticipated that any code issues will be resolved by the Design Professional by the time the Contractor is ready to commence construction.

3. **Construction**

Groundbreaking

Should the Entity desire a groundbreaking for the Project prior to the commencement of construction, the Pastor and D&C staff shall coordinate scheduling and invitation list with the Bishop's office. The Diocesan Entity shall coordinate the design and verbiage of the invitations with staff of the Diocesan Office of Communications.

Construction Status Reports

The Owner's Project Manager shall convene meetings to provide construction status reports. The meetings shall occur no less frequently than when the Project is 25% complete, 50% complete and 90% complete. Attendees should include the Owner's Project Manager, Pastor, and Chair of the Project Building Committee.

Third-Party Inspection Reports

A third-party professional consultant shall be engaged to determine whether the construction of the building conforms to the drawings and minimizes the risk of water intrusion.

Payments to Architect, Contractor, and Consultants

The Owner's Project Manager and D&C Accountant shall review all invoices and compare them to the executed Agreements prior to submitting for payment.

The General Contractor will submit a monthly Application for Payment which is a notarized certification of the work completed to-date plus the corresponding percentage of the Contractor's fee. The Owner's Project Manager, Architect and its consultants shall review each payment application to ensure the requested amounts are a reasonable representation of the work completed.

No Payment Application shall be due unless and until each of the items and deliverables described in the Construction Agreement are received by the Owner, including, without limitation, lien releases for each subcontractor, materialman, laborer or lienor having served Notice to Owner. Owner shall withhold 10% of each construction draw for retainage until Final Payment is due.

Once approved, then the payment application will be signed by each of the reviewing parties. A PRP Request will then be sent to the Diocesan Entity in the amount approved for the Payment Application.

At the beginning of the Project, the Entity will request whether invoices for budgeted expenses shall be submitted to the Entity through a *Parish Request for Payment* (PRP) or authorize the Owner's Project Manager to pay invoices and payment applications included in the Approved Project Budget on behalf of the Entity.

4. Punch List / Final Walk-through

The Architect shall determine and certify that the project is Substantially Complete. The Punch List documents items remaining for completion or correction at the time of Substantial Completion. The General Contractor shall generate the Punch List and the Architect, Engineers, Entity, Owner's Project Manager, and D&C staff shall conduct a walk-through with the Contractor to review the items on the Punch List. The walk-through allows the Owner an opportunity to add items to the Punch List. Upon completion of all the items on the Punch List, a Final Walk-through will be conducted to verify Punch List items were completed. The Project will not be considered complete until all outstanding items on the Punch List are addressed to the Architect and Owner's satisfaction.

5. Certificate of Occupancy / Building Dedication

Should the Diocesan Entity desire a dedication of the Project upon completion of construction, the Pastor and D&C staff shall coordinate scheduling and invitation list with

the Bishop's office. The Diocesan Entity shall coordinate the design and verbiage of the invitations with staff of the Diocesan Office of Communications. No Diocesan Entity activity, including a dedication, may occur on a Project until the Authority Having Jurisdiction has issued a Certificate of Occupancy.

6. **Final Payment, Lien Releases, Permit Closeout, Project Closeout**

Construction contract closeout is critical to ensure the Contractor has completed all responsibilities and provided required documentation, prior to the release of the final payment. Neither final payment nor any remaining retained percentage shall become due until the Contractor submits to the Architect and Owner Project Manager, the following Close Out Documents:

- a. Completion of all punch list items
- b. Final Certificate of Occupancy
- c. Final lien waivers and final payment affidavit in statutory form (AIA Documents G706 and G706A)
- d. Consent of surety (if any) to final payment
- e. Final Application for Payment
- f. Final Certificate for Payment issued by the Architect
- g. Record (As Built) Drawings
- h. A complete list of Subcontractors and principal vendors on the Project, including addresses and telephone numbers
- i. An indexed, loose leaf binder containing complete installation, operation and maintenance manuals, including all manufacturer's literature, of equipment and materials, and copies of all warranties used in the Work
- j. All inspection reports and permits
- k. Any and all other items required by the Contract Documents

Final payment, constituting the entire unpaid balance of the Contract Sum, shall be made by the Owner to the General Contractor no later than forty-five (45) days after receipt of the items listed above.

The final payment application shall include written confirmation by the Owner's Project Manager that all the above Closeout Documents have been received and final payment must be approved by the Pastor and Secretary of Ecclesiastical Properties.

Upon completion of the above, advance to Phase 5 

4.5 Phase 5 – Warranty & Maintenance

The final phase of the Project includes record retention, addressing warranty items, an 11-month warranty walkthrough, and maintenance by the Entity

1. **Closeout Documentation and Record Retention**

The Office of Design and Construction Services shall confirm receipt of all close out documents from the Contractor in electronic format. All data files shall be archived to the D&C computer server together with any data files obtained from the consultants. The files will also be copied to a CD and sent to the Pastor of the Diocesan Entity

Original paper files shall be maintained by the Office of Design and Construction Services for five (5) years after which they shall be destroyed.

2. **Warranty Items and 11-Month Walk-through**

The Diocesan Entity shall immediately contact D&C staff if a construction defect or mechanical malfunction occurs during the warranty period. D&C staff shall place the Contractor on notice of any warranty items prior to the date of the expiration of the warranty. The Owner's Project Manager and D&C staff shall be responsible to ensure that warranty items are addressed and resolved.

The Pastor, Chair of the Project Building Committee, Owner's Project Manager, Architect, and D&C staff shall conduct a complete walkthrough of the Project no later than 11 months after the Substantial Completion of the Project to ensure all warranty items are identified during the warranty period.

5 Funding of Policy

The Office of Design and Construction Services invests significant time and resources during a Project, which shall be funded by a standard fee to the Entity as a Project cost based on the Final Project Budget.

For Projects which are managed exclusively by the Office of Design and Construction Services, the fee will be calculated as Three Percent (3%) of the Final Project Budget. For Projects utilizing a Third-Party Owner's Project Manager, the fee will be reduced to One Percent (1%) of the Final Project Budget. The payment schedule is as follows:

1. Upon DFC approval to create Schematic Design (Phase 2): \$5,000
2. Upon DFC approval to create Construction Documents (Phase 3): \$5,000
3. Upon DFC approval of the Final Project Budget: Remainder of 3% or 1% fee, minus the fees previously collected. The remaining fee will be billed in equal monthly installments during the construction phase of the Project.

Note: For small Projects with a total fee less than \$10,000, 50% of the fee will be payable upon DFC approval to create Schematic Design (Phase 2) and 50% will be payable upon DFC approval to create Construction Documents (Phase 3).

Exhibit A
Phases of Construction Project