



PROJECT MANAGEMENT GUIDE

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Introduction

This Project Management Guide is divided into two sections:

- » The Guide
- » Reference material

The Guide is only 12 pages long and covers the basics of project management including

- » Hiring a project manager
- » The role of the project manager.

The rest is reference material included for your information. One of the reference materials is a glossary of terms that can be found in Appendix A. Any words printed in *italics* are defined in the Glossary.



THE GUIDE

What this guide covers

The Guide explains

- » what is a project and what project management is
- » why your co-op should use project management (for large or sophisticated capital projects)
- » the different services a project manager provides and how to obtain (find) good project managers.

What is a project?

As defined by the Project Management Body of Knowledge Guide, 5th Edition -

A project is a temporary endeavor undertaken to create a unique product or service, or result. The temporary nature of projects indicates that a project has a definite beginning and end. The end is reached when the project's objectives have been achieved or when the project is terminated because its objectives will not or cannot be met.

In different words -

A project is something the co-op wants to get done. It needs to be carefully planned and carried out. Once the goal or objective is reached, it will be finished.

Constraints or Limits

- » All projects, no matter how big or small, long or short, or simple or complicated, are done under certain constraints or limits. Usually, they are **cost**, **time** and **scope of work**. Together they are called the triple constraints. Each will affect the project and the quality of the result. You will balance these constraints when you are planning the project but as the project goes on, you may need to make decisions about changes and cost, time and the *scope of work* will have to be considered again.

Don't forget about quality

- » Co-ops want a quality outcome for any project. You need to know that any change to one of the triple constraints may result in a change to the quality of your project.
- » Cost or budget - All projects have a set budget. The co-op is willing to spend a certain amount of money for delivery of a capital project. If you reduce the project's cost, you will either have to reduce its scope or increase its time, or both.
- » Time or schedule for the project - As the saying goes, 'time is money', and both can slip away too easily. Projects have a deadline date for delivery. When you reduce the project's time, you will either have to increase its cost or reduce its scope, or both.

- » *Scope of work* – Many projects fail on this constraint because the scope or outline of the project is either not fully defined, detailed or understood from the start. When you increase a project's scope, you will either have to increase its cost or time, or both.

What is project management?

- » Project management is the application of knowledge, skills, tools and techniques to project activities to meet the project requirements.
- » *Construction project managers* have the knowledge and tools to do the job. They are trained in project management and they will also have expertise in the type of project your co-op wants to get done.
- » Project management is a general term and includes many types of project. So, when you need project management for your capital projects, get a qualified project manager who has the expertise in your type of project.

Why should your co-op use project management?

Making all the decisions about a project and its scope, quality, budget and schedule can be complicated. Things get even more complicated if the project

- » involves many steps
- » needs contractors, engineers, architects and consultants
- » will take a lot of oversight in order to be finished properly.

To get a quality project done on time, on budget and as planned requires special supervision, namely project management. Your co-op uses lots of experts to get work done properly and to ensure that money is not wasted: lawyers, auditors, managers. Include a project manager as one of your co-op's experts.

Don't scrimp by not hiring a qualified project manager, you will regret it. Some co-ops that have not hire a qualified project manager have done projects that weren't successful because

- » they were way over budget
- » the quality of the work was poor
- » it took way too long
- » the co-op didn't get what it thought it was getting.

Most of these projects would have been successful if the co-op had hired a project manager to

- » oversee the project
- » give the co-op advice on decisions to be made
- » help the co-op hire the right contractors to do the type of project
- » evaluate the work done by the contractor
- » help resolve any issues.

Your co-op buildings and property are your most important assets. Protect your assets and your investment in them by hiring a project manager. The cost of the project manager should be included in the budget for the project.

Are you required to use a project manager?

In some cases, it is not just a good practice to hire a project manager; you may be required to hire one.

[CMHC's Replacement Reserve Guide](#) says that co-op's must use a *tender* for capital work that will cost more than \$30,000. A project manager should prepare the *tender* package for the co-op.

If your co-op has a *workout* agreement with the Canada Mortgage and Housing Corporation (*CMHC*) to undertake capital work, you must use project management.

If your co-op is borrowing money to pay for large capital projects, the bank or the credit union that is lending the money will require you to have project management. The project manager will document and evaluate the completion of the work before the bank or credit union will release the funds to pay for it.



What does a project manager do?

The project manager

- » plans the project
- » keeps the project progressing
- » constantly communicates with all stakeholders about the status of the project
- » reduces the risk of the project failing.

You will see more specific project management services in the diagram below.



A bit more about tendering

Tender documents

Your co-op probably has experience tendering for management, for auditors, for a building condition assessment and other similar services. These are generally pretty straightforward projects where project management is not needed.

When you hire a project manager, they prepare the *tender documents* for the project as part of their service. The documents will most likely be more in depth and more complex than the ones you are used to.

The project manager will prepare the *tender documents* for the board of director's review and approval.

The documents will include:

- » Instructions to the bidders
- » A very detailed *scope of work*
- » What type of *surety bond* the contractor must get (for more information on surety bonds, see Appendix C – Surety Bonds)
- » What type of contract the successful bidder will be asked to sign.

The instructions to bidders will include things like:

- » Information about a site meeting
- » Who to contact if they have questions
- » What the deadline for submitting the bid is
- » Where to send the bid
- » How the bidders should provide prices; this could include separate prices for distinct parts of the projects, on separate prices for optional work or per unit prices.

As the project manager finalizes the *scope of work*, they should recommend:

- » Materials to be used to complete the project.
- » Any sustainable options that would conserve water and energy (for more information on green construction, see Appendix F – Green, Sustainable and Energy Efficient Construction.)
- » Any optional work the board of directors might want to consider
- » Anything else that the project manager considers a good practice

A very detailed *scope of work* will include the decisions made by the board of directors based on the recommendations plus:

- » How co-ordination between the co-op and the contractor will happen once the project starts. This could include reporting requirements and meetings with the membership or board of directors
- » How the contractor will have access to the site. The co-op may restrict access to certain times or certain days. The co-op will also need to make sure that the contractor follows the rules for entering members' units
- » The proposed schedule for the project.

The board of directors will approve the final *scope of work*.

Before the *tender documents* are finalized, the board of directors will consider the project manager's recommendation about:

- » What type of surety bond should be required?
- » What type of construction contract should be signed? (For more information on construction contracts, see Appendix D – Construction Contracts.)

Surety bonds

A surety bond is a legal guarantee made by an insurance company that protects the co-op if the contractor defaults on a bid, defaults on a job, does not complete the project in time, or fails to deliver the quality that was agreed to.

Generally, there are three types of surety bonds:

- » *Bid bond*
- » *Performance bond*
- » *Payment bonds*

Construction contracts

In Canada, the Canadian Construction Documents Committee (*CCDC*) develops different kinds of standard contracts for construction projects by getting input from representatives of the construction industry. Your project manager adapts a *CCDC* standard contract for your co-op to use. For information about determining the contract type, see Appendix E – Determining the Contract Type.

Tender process

There are two key decisions to make when deciding on the *tender process*:

- 1 Should you *tender* to one *general contractor* or to individual sub-trades?
- 2 Should the *tender* be public or invitational?

Tendering to one *general contractor* or to individual *subcontractors* depends on the scope of the project. For example, if you have hired a project manager to oversee the roof replacement and the replacement of an elevator, you would likely do two *tenders*: one for the roof and one for the elevator. There is no overlap between the tasks and much different expertise is required for each one. For projects that involve a number of different *subcontractors* like roofers, plumbers, electricians and carpenters, you should do one *tender* to *general contractors*. The *general contractors* would hire the necessary *subcontractors* directly as required.

Likely, your project manager will be familiar with different general and *subcontractors* in your area. If the project manager can recommend enough contractors to meet your requirements, a *tender* by invitation is recommended. For an invitational *tender*, the project manager will send the *tender documents* directly to the recommended contractors

If you decide you should do a public *tender*, you might post information about the *tender* in the local newspaper or on a website that specializes in tendering. Contractors will routinely check newspapers or websites to find opportunities to bid. When you do a public *tender*, use extra care when checking references before selecting your contractor.

Hiring a project manager



1. Use a request for proposal (RFP) process

Your co-op will have to follow its own spending rules when hiring a project manager for a project. The cost of project management can range anywhere from \$10,000 to \$100,000 or more depending on the scope of the project. Project management fees are usually between 5% and 15% of the value of the project. Given the unknown cost and co-ops' typical spending rules, you should use a *request for proposal* (RFP) process. You can adapt the sample RFP for Project Management in Appendix A for your co-op. The instructions for using the RFP are in Appendix B - Instructions for the Sample *Request for Proposal* for Project Management. It also sets out a recommended timeline for the hiring.

Once your RFP is ready, you should follow an invitational *tendering process*. This means that you send the RFP to a number of specific engineering or architectural firms. If you aren't familiar with any firms, you should check with the Agency or other co-ops in your area. Make sure the firms have project management qualifications and experience with the kind of project you are planning.

Sometimes individuals act as project managers. They may be qualified but it is sometimes better to get a qualified firm to do the work depending on the scope of the project because the firm will

- » have access to more expertise than an individual
- » typically carry errors and omissions insurance but individual project managers may not

2. Select the project manager

Once you receive and open the bids, co-op staff should do a thorough review of each proposal and check references and then make a recommendation to the board of directors to help them with the selection.

Typically, the co-op will choose the lowest-priced proposal. However, sometimes a co-op may choose a higher-priced proposal because of

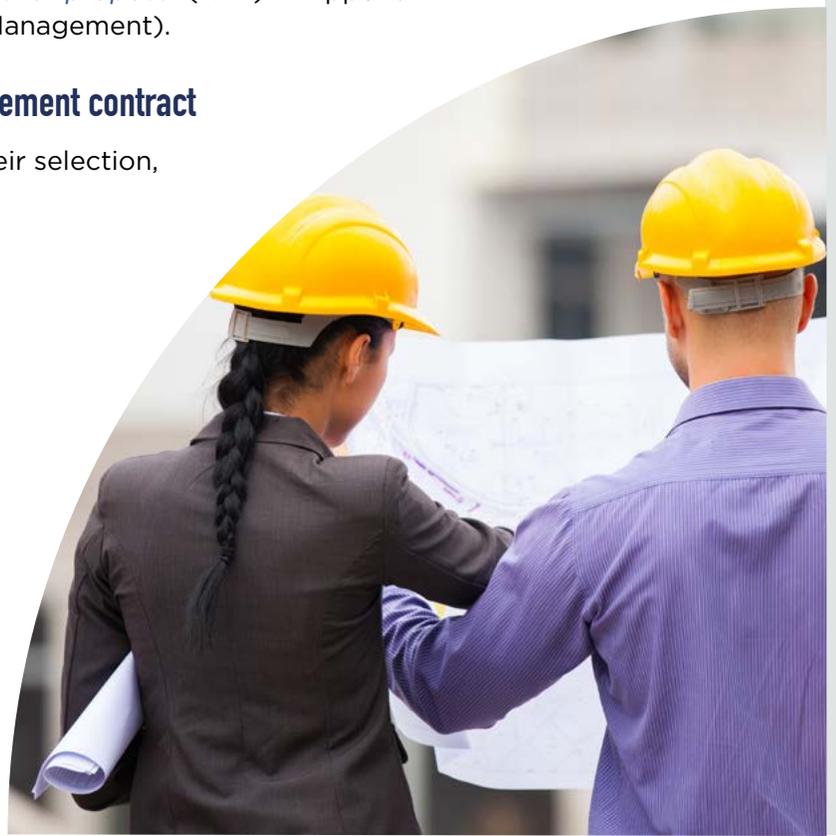
- » the completion date
- » the reference checks.

Instead of giving a dollar amount, some bidders may give their price as a percentage of the estimated project cost (For more information on the price as a percentage of the project cost, see section 3.7 of the sample *request for proposal* (RFP) in Appendix A - Sample *Request for Proposal* for Project Management).

3. Award and negotiate the project management contract

Once the board of directions has made their selection, the final steps are

- » letting the successful bidder know
- » negotiating the terms and conditions of the contract
- » signing the contract
- » letting the unsuccessful bidders know.



What if we already have a project manager?

Even if you have a project manager you have used before and the results have been good, you must follow your co-op's spending rules and/or policies when hiring them for another project.

If your co-op's spending rules say that you must *tender* every time, then you should

- » send the *tender* package to the project manager you have used before and other bidders
- » consider your past experience when selecting the project manager.

Don't forget about any other requirements you may have to follow when hiring a *project manager*: requirements of your lender (bank or credit union), the Agency for Co-operative Housing, the Canada Mortgage and Housing Corporation (*CMHC*) or other partner(s).

Working with your project manager

The co-op needs to be involved in the project from the very beginning so be in touch with the project manager within a week after the contract is signed to schedule a meeting.

At the meeting, set out your expectations for good co-ordination and clear communication throughout the entire project. Make sure you know what requirements are in the contract about co-ordination and communication.

Like your co-op's property manager, your project manager cannot respond and report to directors individually. You should choose two people to be the main contact for the project manager. The project manager will be responsible for keeping the contacts up-to-date and getting direction from them if any questions come up.

These two contacts will be responsible for keeping all directors informed.

There will be instances when the contacts cannot make decisions and a special board meeting will need to be scheduled. You might need to meet to

- » choose materials
- » consider *change orders*
- » get progress reports
- » process invoices and payment requests
- » resolve other issues that come up.

The project manager will likely need to be at those meetings.

The project manager is your liaison with the contractor so when you want information or have an issue, advise your project manager and they will provide you with the information.

Remember, projects can be stressful and not everything will go smoothly; there will be disagreements. Try to be reasonable under the stress. If the disagreement is with the project manager, go over the contract and listen carefully to the project manager's explanation. If you're not satisfied, get advice or a second opinion – maybe from the Agency for Co-operative Housing, the Co-operative Housing Federation of Canada, your local housing co-op federation if you have one or another qualified project manager.

You may also have a disagreement with the contractor or one of the *subcontractors*; let your project manager know about the problem and let them resolve it. Part of their role is to be the co-op's advocate with the contractor.

Communicating with the members

Once you've worked out the communication between the project manager and the board, you will also need a plan for communicating with the members. During some projects you will need to enter members' units and members may be inconvenienced in other ways too. The end result might benefit them but during the work, there could be all kinds of disruptions. The usual tips for good communication are:

- » let members know as soon as you can about the project
- » let members ask questions
- » follow notice requirements for service interruptions and entering member's units
- » keep them informed every step of the way
- » use different ways to communicate: newsletters, reports at members' meetings, a posting on the co-op Facebook page or website etc.
- » make the information easy to understand – don't use technical construction language
- » thank the members for their co-operation.

Consider having the project manager give a presentation about the project at a members' meeting. This helps members

- » get any technical questions answered
- » recognize the project manager during the project
- » see that the board and the project manager are working together for the good of the co-op.

Depending how long the project lasts, you may want to have the project manager come to more than one members' meeting.

APPENDIX A
Sample Request
for Proposal
for Project
Management

REQUEST FOR PROPOSAL (RFP)

For

**Consulting & Contract Administration Services
For Remedial Repairs**

At

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1.0 INTRODUCTION AND SCOPE

1.1 General Introduction

The

(hereafter referred to as the “**Co-op**”) is soliciting proposals from building consultants or consulting firms to provide Consulting & Contract Administration Services for Remedial Repairs as outlined herein.

(hereafter referred to as the “**Co-op**”) wishes to enter into a contract with a consultant or consulting firm (hereafter referred to as the “**Consultant**”) **to provide contract administration services to facilitate the remedial repairs of upcoming capital work,** as described herewith.

1.2 Purpose of Request for Proposal

This *Request for Proposal* (RFP) has been issued in order to invite proposals setting out the alternative means by which several technical, performance, time and other goals and objectives may be best met, having regard to stated mandatory requirements.

1.3 Schedule of Events

The following schedule summarizes significant target events for the RFP process. The dates may be changed by the Co-op at its sole discretion and shall not become conditions of any contract which may be entered into by the Co-op and the selected Consultant.

| Date | Activities |
|-------------|--|
| _____ | Request for Proposal Issued |
| _____ | Site Visit |
| _____ | Submission Deadline |
| _____ | Review of Proposals and Pre-Selection of lead Consultant |
| _____ | Negotiate final terms and conditions of contract with Consultant and award of contract |

2.0 SUBMISSION INSTRUCTIONS AND REQUIREMENTS

2.1 Submissions

Submissions are to conform to the terms and conditions set out herein. Failure to do so may cause the submission to be rejected. For any clarifications as to the manner in which to complete submissions, refer to subsection 2.10 “Inquiries” for the Co-op’s contact person.

All valid proposals must include as a minimum, the bidding format as outlined in subsections 2.4 “Proposal Format and Required Information”.

All submissions must be signed by the Consultant and include his/her address. A submission made by a Consultant shall bear the signature of a duly authorized officer and corporate seal. Where a submission is submitted by a joint venture, each of the individuals or corporations included in the venture shall comply with this directive.

Email submission (PDF format) to _____ 's
main office as listed below.

Attention: _____

Email address: _____

Proposals must be received by email before _____
on _____

2.2 Changes to Submissions

Changes to the submitted proposal can be made, if required, provided they are received as an addendum to, or clarification of, previously submitted proposal, or as a complete new proposal to cancel and supersede the earlier proposal. The addendum, clarification, or new proposal must be submitted in a sealed envelope or package and addressed as required above, plus clearly marked “REVISION” and received no later than the submission deadline. In addition, the sealed package must contain a letter stating the degree to which the contents are in substitution for the earlier proposal.

2.3 Communication

The Co-op reserves the right to contact individual Consultants in order to obtain further clarification of their submissions or to meet with them to gain further insight into the quality and scope of relevant services. The Co-op is in no way obliged to meet with any or all Consultants for this purpose.

2.4 Proposal Format and Required Information

Evaluation of proposals is made easier when Consultants respond in a similar manner. Therefore, it is requested that proposals be submitted on 8 1/2" X 11" paper with each page numbered and dated. Each of the proposal sections should begin on a new page and be separately tabled.

Letter of Introduction:

One page, preferably on Consultant's letterhead, introducing the Consultant, signed, and sealed by person(s) duly authorized to sign on behalf of and bind the Consultant to statements made in response to the RFP. It should also contain the name, address, phone number and facsimile number of the Consultant's primary contact person with respect to the RFP.

Section 1 - Detailed Response to Statement of Work:

Detailed responses to the statement of work should describe how the proposal meets all of the requirements. If there are any deficiencies, list them and indicate how they are to be overcome. You should describe the flexibility of the service where it is over and above that which stated as a requirement. You are encouraged to refer to and attach any other documentation which clearly and concisely describes the capability. Use same numbering scheme as that used in the RFP when identifying your detailed response.

Section 2 - Price Quotation:

All prices quoted are to be in Canadian dollars with the taxes shown separately. The Co-op will not pay any costs that are not clearly identified.

2.5 Evaluation Criteria

Proposals will be evaluated in terms of the criteria detailed below:

- 1) Consultant's capability to carry out the work;
- 2) Qualifications and experience;
- 3) Quality of the proposal submitted;
- 4) Cost and reasonable proposed fees.

2.6 Consultant Selection

The lowest cost or any proposal will not necessarily be accepted, and the Co-op reserves the right to accept or reject any proposal.

Acceptance of a proposal does not oblige the Co-op to incorporate any or all the accepted proposal into a contractual arrangement, nor does it constitute an obligation on the Co-op's part to enter into a contractual arrangement at all. Acceptance of a proposal demonstrates willingness on the part of the Co-op to enter into negotiations for the purpose of arriving at a satisfactory contractual arrangement with one or more parties. The Co-op reserves the right to alter the stated requirements as needs require and to accept an alternate proposal included in any Consultant's response.

No Consultant shall have any cause of action against the Co-op arising out of a failure to award a contract, the failure to consider any proposal, or the methods by which proposals are assessed.

The selection of a Consultant shall be at the sole discretion of the Co-op.

If at any time the Co-op decides that the lead Consultant cannot satisfy the Co-op's requirements, the Co-op may terminate negotiations and continue the process with the secondary Consultant and so on. Announcement of successful Consultant will be made to all Consultants upon the signing of contract.

2.7 Proprietary Information

Information contained in this RFP is to be considered "Proprietary Information" and the Consultant is not to disclose this information to any party other than Consultant's employees participating in the response to this RFP.

2.8 Ownership of Responses

All responses and related materials become the property of the Co-op and will not be returned. The Co-op will not reimburse the Consultant for any work related to, or materials supplied in the preparation of the RFP response.

All information regarding the terms and conditions, financial and/or technical aspects of the Consultant's proposal, which, in their opinion, are of a proprietary or confidential nature, must be clearly marked "PROPRIETARY" or "CONFIDENTIAL" at each item or at the top of each page. Consultant's documents and information so marked will be treated accordingly by the Co-op.

2.9 Offering Period

All responses must provide that the terms of the response including the financial quotations, shall remain valid and binding on the Consultant for a period of 90 days following the closing date.

2.10 Inquiries

All questions regarding this *Request for Proposal* must be sent by email to:

Tel: _____

Email address: _____

Information given verbally by any person within the Co-op shall not be binding upon the **Co-op**. Consultants must have written confirmation from the Co-op for any changes, alterations, etc., concerning this RFP. All written questions submitted which in the opinion of the Co-op affect all Consultants, will be answered by the Co-op in writing and distributed to **all Consultants** by email. All identification related to the inquiry will be removed in the response. Any questions of a proprietary nature must be clearly marked. The Co-op will determine, at their sole discretion, whether it will respond to the question. The Co-op cannot guarantee a reply to inquiries received less than **two calendar days** prior to the closing date.

In the event that it becomes necessary to revise any part of the RFP as a result of any inquiry or for any other reason, an addendum to this RFP will be provided to each Consultant to whom the Co-op has issued this RFP.

2.11 Declaration re: Conflict of Interest

The Consultant, the company, the registered principals and officers, and employees of the company are to declare any potential conflict of interest between themselves or their employees and the Co-op or its employees.

2.12 References

The Consultant shall submit a full list of references for projects completed within the past 36 months. These projects shall be comparable in terms of size and complexity with the subject property. The reference list shall include the names and telephone numbers of key personnel from the companies that utilized the services of the Consultant.

2.13 Liability for Errors

While the Co-op has used considerable efforts to ensure an accurate representation of information of this RFP, the information contained in this RFP is supplied solely as a guideline for Consultants. The information is not guaranteed or warranted to be accurate nor is it necessarily comprehensive or exhaustive. Nothing in this RFP is intended to relieve Consultants from forming their own opinions and conclusions in respect of the matters addressed in this RFP.

2.14

Site Visit

A _____ onsite bidders' site visit/meeting has been scheduled for _____ on _____.

Proponents are to meet

at the Co-op's office located at

Proponents will be able to view the property prior to submitting their proposal.

2.15 Verification of Consultant's Response

The Consultant shall authorize the Co-op to conduct such investigation as it may deem appropriate to verify the contents of the Consultant's response.

3.0 STATEMENT OF WORK REQUIREMENTS

3.1 Background

located at

was developed circa

This housing co-operative consists of

RFP FOR PROJECT MANAGEMENT

The Co-op intends on acquiring the services of a building consultant or consulting firm to oversee the following repairs and/or replacements (as identified in a recent Building Condition Assessment) over the next

3.2 Objectives

The Co-op's primary objective for this proposal is to carry out necessary the above mentioned remedial repairs/replacements and any additional required related repairs that are identified and can be completed within the budget available.

3.3 Scope

Part A - Assessment of Deficient Building Components

1. Carry out a review of the available construction drawings, available documents and reports, such as the Building Condition Assessment & Reserve Fund Study, to determine the construction characteristics of the various building components.
2. Review previously completed repairs and / or replacements related to those outlined in subsection 3.1.
3. Complete a visual building and site review to determine the repairs required - as noted in subsection 3.1 - and any additional related defects.

Part B - Remedial Repair Plan & Budget Report

1. Following the review of previously prepared documents / drawings including the review of buildings and site, develop a remedial repair plan identifying the repairs or replacements needed to remediate the items listed in subsection 3.1, and any additional required related repairs within the capital budget including any health and safety items viewed.
2. Provide a comprehensive report to the Co-op outlining the findings and recommendations with associated estimated costs to address the required repairs and/or replacements.
3. Provide a budget report listing the repairs in order of their importance and indicating which of the repairs can be accomplished within the budget available.

Part C - Preparation of Specifications and Tender Documents for Remedial Work

This work shall include but may not be limited to the following:

1. Develop specifications and *tender documents* to facilitate the repairs that can be accomplished within the budget available as approved by the Co-op. These documents will be based on the Remedial Repair Plan developed above. This work will be contracted by way of a Public *Tender* or by Invited *Tender* to pre-qualified contractors **for a stipulated price**. Successful contractor(s) will enter into an agreement with the Co-op by signing a *CCDC 2* contract.
2. Remediate the items listed in subsection 3.1 any additional required related repairs within the capital budget including any health and safety items viewed as approved by the Co-op.
3. Note that a single *tender* call to qualified *General Contractors* is anticipated for all proposed work noted herein.

Part D – Tendering of the Remedial Work including Tender Results Analysis and Recommendations

This work shall include but may not be limited to the following:

1. Administer the *tendering process* in conjunction with the Co-op.
2. *Tender* the *scope of work* by Public *Tender* or by Invited *Tender* to pre-qualified contractors. Advertising costs will be paid for by the Co-op.
3. Completed *tenders* shall be submitted to the Co-op. Opening of the *tenders* will be completed at the Co-op's office with representation from the Co-op and the Consultant.
4. Analyze *tender* documentation received and present findings including recommendations to the Co-op.
5. Assist the Co-op in negotiation/signing of Contract with successful Contractor(s).

Part E – Contract Administration and Inspection of the Remedial Work

This work shall include but may not be limited to the following:

1. Administer the terms and conditions of *CCDC 2* Contract between Contractor(s) and the Co-op.
2. Conduct pre-construction meetings.
3. Ensure all permits, insurance; bonds, etc. are in place.
4. The Consultant shall provide a schedule of proposed site visits based on the critical parts of the repair program for the duration of the project. Monitoring reports shall be prepared after each site visit. The reports shall be sent to the Co-op within 24hrs of the site visit. The Consultant shall review site visit reports with the Co-op's board at bi-monthly meetings described in #7 below.
5. Submit contemplated changes for approval to the Co-op prior to authorizing the work.
6. Inform the Co-op of site instructions that will have cost implications prior to issuing to the contractor.
7. Chair bi-monthly (weekly if required) site meetings and prepare minutes and issue to all parties.
8. Review and approve *shop drawings*, etc.
9. Assist the Co-op in informing members (residents) of the date, type and risk of danger of work on the buildings and any entry required into homes, with information required for developing information flyers.

- 10. Verify work completed for progress advance purposes and issue necessary *payment certificates*/documentation to facilitate payment by *CMHC*/the lender and the Co-op to the Contractor.
- 11. Conduct and/or facilitate materials evaluation/sampling as required.
- 12. Close-out Contract with Contractor ensuring that all applicable documentation is in place and that all deficiencies have been rectified.
- 13. Carry out the necessary warranty reviews.
- 14. Consultants responsibilities/duties shall include the above contract administration and inspection of remedial work required to bring the project to *100% completion*.

3.4 Constraints

The Consultant shall conduct the work required in this RFP in accordance with, but shall not be limited to, the following standards and regulatory agencies:

-

Act, Regulations and Codes

- Municipal, Provincial and Federal Regulations, By-laws and Codes

3.5 Time Table

Provide estimated dates for completion for each stage of work based on a planned start date of _____

Dates:

| | |
|---|-------|
| Part A — Assessment of Deficient Building Components | _____ |
| Part B — Remedial Repair Plan & Budget Report | _____ |
| Part C — Preparation of Specifications and <i>Tender Documents</i> for Remedial Work | _____ |
| Part D — Tendering of the Remedial Work including <i>Tender</i> Results Analysis and Recommendations | _____ |
| Part E — Contract Administration and Inspection of the Remedial Work | _____ |

3.6 Deliverables

Provide progress summary reports to the Co-op for each stage of work as identified in 3.5 above.

3.7 Cost

Consultant's cost for each stage of the work shall be based on a lump sum price including all fees, disbursements, travel, etc. Consultant shall be paid for their work at the completion of each stage. **All costs noted to exclude applicable taxes.**

| | |
|---|-------|
| Part A — Assessment of Deficient Building Components | _____ |
| Part B — Remedial Repair Plan & Budget Report | _____ |
| Part C — Preparation of Specifications and <i>Tender Documents</i> for Remedial Work | _____ |
| Part D — Tendering of the Remedial Work including <i>Tender</i> Results Analysis and Recommendations | _____ |
| Part E — Contract Administration and Inspection of the Remedial Work | _____ |
| Total Cost (excluding taxes) | _____ |

In the event that changes to the *scope of work* are required, please provide a comprehensive breakdown of your normal fees, disbursements, testing, etc. This will assist in making revisions (increases / decreases) to the Contract Price as a result of changes to the *scope of work*.

4.0 PROPOSED CONTRACT TERMS AND CONDITIONS

The following terms and conditions may, at the discretion of the Co-op, be incorporated into any contract resulting from this RFP. The Co-op reserves the right to add terms and conditions during negotiations.

The Proponent's proposal and all associated correspondence from the Proponent, where relevant, shall to the extent desired by the Co-op, form part of the final contract and the Proponent must accept that the final contract form will be in a format acceptable to the Co-op.

Submission of a proposal constitutes acknowledgment that the Proponent has read and, unless otherwise stated in the Proponent's offer (including a declaration of any potential Conflicts of Interest), agrees to be bound by the following terms and conditions in the event that the Proponent is selected by the Co-op to enter into a contract agreement.

For the purposes of this section the term “Consultant” refers to the successful Proponent with whom the Co-op enters into a contract agreement.

4.1 Assignment of the Contract

The Contract shall not be assigned in whole or in part by the Consultant without the prior written consent of the Co-op.

No assignment of the Contract shall relieve the Consultant from any obligation under the Contract or impose any liability upon the Co-op.

4.2 Invoicing

The Consultant must allow 30 days from delivery of invoice for payment without interest charges. The Consultant cannot invoice prior to performance of the service or delivery of goods.

4.3 Consultant’s Indemnification

The Consultant agrees to indemnify the Co-op, their officers and employees for all loss, damages, costs, expenses, claims, demands, actions, suits or other proceedings of every nature and kind arising from or in consequence of the performance of this agreement, provided such loss, damages, costs, expenses, claims, demands, actions, suits or other proceedings arise without negligence on the part of the Co-op or its officers or employees, and whether such actions, suits or proceeding are brought in the name of the Co-op or in the name of the Consultant.

4.4 Insurance

The Consultant shall obtain and maintain Comprehensive General Liability insurance in an amount not less than \$ 2,000,000. The coverage must include: the Co-op as an additional insured with respect to the work covered by this agreement; cross liability and severability of interest clause; personal liability and thirty (30) days prior written notice of cancellation or material change to the Co-op.

The Consultant shall obtain and maintain Errors and Omissions Insurance in an amount not less than \$2,000,000.

The Consultant must also provide a Certificate of Insurance confirming the above coverages prior to the commencement of work.

It shall be the sole responsibility of the Consultant to decide whether or not any other insurance coverage, in addition to the requirements stipulated herein, is necessary for its own protection or to fulfill its obligations under the Contract. Any such additional insurance shall be provided and maintained by the Consultant at its own expense.

4.5 Termination for Default of Consultant

The Co-op may, by giving a ten (10) day written notice to the Consultant, terminate the whole or any part of the work being performed if:

1. The Consultant, due to negligence, fails to perform any of the Consultant's obligations under the Contract or is in breach of any of the confidentiality and proprietary obligations set out in the Contract. The Consultant will be reimbursed for any work performed or goods received, under the terms of the Contract, prior to such notice.

or

2. The Consultant becomes bankrupt or insolvent, or a receiving order is made against the Consultant, or any assignment is made for the benefit of creditors, or if an order is made or a resolution passed for winding up of the Consultant, or if the Consultant takes the benefit of any Statute for the time in force relating to bankrupt or insolvent debtors.

In the event of a termination notice being given under the provisions of this section, and subject to the deduction of any claims which the Co-op may have against the Consultant arising out of the Contract or out of termination, payment will be made within thirty (30) days of the date of the invoice from the Co-op to the Consultant for the value of all orders fulfilled, such value to be determined in accordance with the rate(s) specified in the contract or otherwise agreed upon.

4.6 Compliance with Laws

The Consultant shall give all the notices and obtain all the licenses and permits required to perform the work. The Consultant shall comply with all the laws applicable to the work or performance of the Contract.

4.7 Labour and Health Conditions

The Consultant shall comply with all labour conditions, and with all health conditions and requirements, from time to time applicable to the work.

4.8 Extras

Except as otherwise provided in the Contract, no payment for extras shall be made unless such extras and the price thereof have been authorized in writing by the Co-op.

APPENDIX B
Instructions for the
Sample Request for
Proposal (RFP) for
Project Management

These instructions will help you adapt the sample *Request for Proposal* for Project Management in Appendix A your co-op.

General

1. You can do one *Request for Proposal* (RFP) to get project management for a number of projects. For example, the co-op may have a capital budget for next year that includes renovating bathrooms, replacing the roof, and fixing the foundation.
2. Everything written in red in the Sample must be changed to fit your co-op.
3. Once you have made all the changes and carefully reviewed the RFP, remove all the blue instructions.

The sections listed below refer to the same section in the Sample RFP in Appendix A. They explain how to adapt the sections for your co-op.

1.3 Schedule of Events

The recommended timeline is outlined below:

- » Schedule the site visit (if your co-op is going to have one) for one week after you send out the RFP.
- » Proposals should be due three weeks after the RFP was issued.
- » How long your co-op will need to review the proposals, check references and make the decision depends on your co-op. Leave yourself enough time but try to make your decision within a week of the deadline for proposals.
- » The final step of negotiating and signing the contract should be done 4 or 5 weeks after the co-op issued the RFP.

Here is an example of a schedule that might work for you:

| Date | Activity |
|----------|--|
| Feb. 16 | Issue the RFP |
| Feb. 23 | Optional or mandatory site visit |
| March 9 | Deadline for the submission of proposals |
| March 11 | Review proposals, check references, select project manager |
| March 24 | Negotiate and sign contract |

2.1 Submissions

In this section, fill in the co-op's name, address and email address along with the main contact at the co-op. The main co-op contact is usually the same person included in section 2.10 Inquiries.

Bidders will submit their proposals via email.

2.10 Inquiries

Someone at the co-op needs to be responsible to answer questions that bidders have. Decide who should be the contact and put their information in section 2.10 of the RFP. The contact person

- » should understand the RFP
- » have a general understanding of the project the co-op wants to do
- » have the time to respond to inquiries promptly.

2.14 Mandatory or Optional Site Visit

A site visit gives the bidders an opportunity to see your co-op before submitting their proposal. If you think a site visit will make it easier for bidders to understand the project and prepare a better bid, make a site visit mandatory. It is your choice.

A site visit might be optional when the co-op is looking to replace all roofing shingles, eavestroughs and downspouts. Since this work includes the outside of the co-op's buildings, bidders can simply drop by the co-op to take a look. There is no need for the co-op to schedule a site visit.

The co-op might want to make a site visit mandatory if the project includes work inside members' units such as kitchen or bathroom renovations. Having the bidders visit the unit would provide a better understanding of the interior conditions. The co-op may decide to schedule a mandatory site visit.

3.0 Statement of Work Requirements

In this section, you will need to

- » give some background information about the co-op
- » include a picture of the parts of the co-op that are included in the project. For example if the project involves replacing a roof, you should include a photograph of the roof.
- » set out the timing for the project. Typically, the work will be done a one year period. However, the co-op may decide on a two-year period, based on their budget, capital plan or other factors.

- » know cost estimates for the work. Setting out estimated costs gives the bidders a general sense of what the co-op is expecting. It also helps the co-op compare their total budget including project management once it receives the bids.
- » describe the *scope of work* for the project. The description includes what items the project manager will oversee. For example, if foundation waterproofing is one of the items, the co-op would include a description of the issue and of the current condition of the foundation.

The Sample RFP gives an example that you can use to guide you when completing this section.

3.4 Constraints

In this section, enter the name of your provincial/territorial occupation health and safety law. Your project manager will be required to follow that legislation.

3.5 Time Table

In this section, based on the work requirements above, you will need to decide when the project should start. The date should be the same as the date in section 1.3 for signing the contract.

The bidders will set out the timetable in this section as part of their bid. They will decide on the timetable they can meet based on the co-op's start date.

Don't forget

- » To change the title page of the RFP by putting in your co-op's name and address and a picture of your co-op.
- » To change the page number and footers.
- » That once the information has been filled in by the Co-op and is reviewed, remove all instructions (highlighted in blue) from the your co-op's RFP.

APPENDIX C

Surety Bond

Bid bonds

A *bid bond* is the most commonly used bond at the *tender* stage. It gives the co-op assurance that the bidder

- » is qualified to do the work
- » takes the *tendering* seriously
- » will follow through on their commitments.

A *bid bond* guarantees the co-op that the bidder will honor its bid and will sign the contract if they are selected.

If the bidder refuses to honor its bid, the bond will cover any additional costs the co-op has because it has to award the contract again. Costs are usually set at the difference the lowest bid and the second lowest bid. Costs could also include a penalty paid to the co-op. The penalty is usually 10% of the bid amount.

Performance bonds

A *performance bond* guarantees the co-op that the *general contractor* (GC) will complete the contract according to its terms including price and time. If the GC defaults, or is terminated for cause, the co-op may use the bond to get the contract completed. Many *performance bonds* give the co-op three choices:

1. The co-op could complete the project itself and the bond would cover the costs
2. The insurer that provided the bond could complete the project itself through a completion contractor
3. The insurer that provided the bond could select a new contractor to contract directly with the co-op.

The amount of a *performance bond* is usually 50% of the contract amount but can also be 100%.

Payment bonds and labour & material payment bonds

A *payment bond* guarantees the co-op that *subcontractors* and suppliers will be paid by the contractor.

A *labour and material payment bond* guarantees that the contractor will pay for all the goods and services supplied for the project. A *subcontractor* or supplier who has a contract with the *general contractor* will make a claim against the bond if they have not been paid for their work or supplies. This protects the co-op from have to pay them.

Like *performance bonds*, co-ops usually ask for a bond of 50% of the contract amount but can also be 100%.

Timing is everything when it comes to *payment bonds*. In order to make a valid claim, it must be submitted within 120 days from the last day the worker worked on the project or provided materials to the project. Often a condition of releasing a *holdback* is that there are no claims made within 120 days from the day the *subcontractor* or supplier should have been paid in full. If a *subcontractor* makes a claim, a *lien* will be put on the co-op's property. A *lien* against the co-op can be very time-consuming and costly to deal with.

Important note: A *payment bond* and a *performance bond* should be used together. Co-ops need both of them. Like *performance bonds*, owners typically ask for 50% of the contract amount, but labour and material *payment bonds* can also be in the amount of 100%.

APPENDIX D
Construction
Contracts

Below is a list of Canadian Construction Document Committee (*CCDC*) standard contracts that your project manager might recommend you use for your co-op's project.

CCDC 2 – 2008 Stipulated Price Contract

A standard *prime contract* between the co-op and *prime contractor* that sets a single, pre-determined, fixed price, or lump sum, regardless of the contractor's actual costs.

This is the type of contract usually recommended for co-ops.

CCDC 3 – 2016 Cost Plus Contract

A standard *prime contract* between the co-op and the *prime contractor* to perform the required work on an actual-cost basis, plus a percentage or fixed fee.

CCDC 5A – 2010 Construction Management Contract – for Services

A standard contract between the co-op and the *construction manager* when the work will be done by *trade contractors*. The *construction manager* acts as a limited agent of the co-op providing advice and administering and overseeing the contracts between the owner and *trade contractors*.

CCDC 5B – 2010 Construction Management Contract – for Services and Construction

A standard contract between the co-op and the *construction manager* to provide advisory services during the pre-construction phase and perform the required work during the construction phase.

At the beginning, the work is done on an actual-cost basis, plus a percentage or fixed fee and then the contract would change to Stipulated Price during the construction phase.

CCDC 14 – 2013 Design-Build Stipulated Price Contract

A standard *prime contract* between the co-op and the *design-builder* where the *design-builder* does the design work and the construction work under one agreement, for a single, pre-determined or fixed price.

APPENDIX E

Determining the Contract Type

Generally, the contracts described in Appendix D – Construction Contracts fall into two categories:

- » Stipulated price
- » Construction management for services.

Stipulated price contracts

Your project manager will recommend a stipulated or fixed price contract when

- » the requirements of the project are well-defined
- » *general contractors* have experience meeting your types of requirements
- » market conditions are stable so contractors are available to bid and take on the work.

| Pros | Cons |
|--|--|
| <ol style="list-style-type: none"> 1 You <i>tender</i> once for the whole project 2 The co-op has one <i>scope of work</i> based on a defined budget 3 You get the overall cost of the project when you <i>tender</i> 4 Performance and labour & material bonds can be requested when <i>tendering</i> 5 The <i>general contractor</i> assumes all the risks 6 Scheduling might be easier 7 The contractor hires all <i>subcontractors</i> and provides labour and site supervision | <ol style="list-style-type: none"> 1 You can't select your own <i>subcontractors</i> or trades 2 If issues arise with the contractor early, they may last throughout the project |

Construction Management Contracts for Services

Your project manager will recommend a construction management contract for services when

- » the project is large and complex
- » the requirements of the project are not well defined.

| Pros | Cons |
|---|--|
| <ol style="list-style-type: none"> 1 The project manager has control over the selection of <i>subcontractors</i> 2 It gives you a chance to change the <i>scope of work</i> during construction 3 Performance and labour & material bonds can be requested from large <i>subcontractors</i> 4 You may save money since you do not have to pay a <i>general contractor's</i> overhead and profit margin, you pay the <i>subcontractors</i> directly. | <ol style="list-style-type: none"> 1 You will only know the overall cost when the <i>tendering</i> aspect to all <i>subcontractors</i> is completed 2 There is a <i>tender process</i> for each <i>subcontractor</i>. 3 The project manager typically has to hire general labourers and a site supervisor. |

APPENDIX F
Green, Sustainable
& Energy Efficient
Construction

Green building materials

You may want to consider using “green” building materials for the construction work.

In most construction projects, building materials are evaluated and selected based on performance, appearance, and cost. With “green” building materials, you will also consider the health and environmental impacts of the materials when you are making the selection.

Fortunately, there are more and more green product resources and tools to help you make good, informed decisions about these building materials. This means it is easier for project managers to suggest ways to “green” your co-op.

Once you have selected a green material for your project, your project manager will include clear language in the *scope of work* for the *tender documents* and specific language in the construction contract.

Any material that helps builders achieve the goal of improved sustainability by reducing the environmental impact of the building process would be considered green. The Construction Specifications Institute, an authority on the topic of construction specifications, has classified green building materials as follows:

- » Resource efficient
- » Energy efficient
- » Water conservation
- » Indoor air quality.

Resource efficient

Renewable, natural or plentiful

- » Natural materials that require no or minimal processing;
- » materials that grow rapidly;
- » renewable resources;
- » sustainably harvested materials that are certified by a third-party such as Forest Stewardship Council (FSC)
 - Examples include bamboo, cork and FSC-certified wood

Locally available

- » Products that are obtained locally reduce transportation demands and lower greenhouse gas emissions.

Some of the products that are renewable, natural or plentiful make ideal building materials, but if they have to be shipped far distances they aren't all that sustainable. Most bamboo has to be shipped from Asia but some types can be grown in Canada.

Recycled content

- » Building materials that are made with recycled material
 - Examples include papercrete, enviroboard, and wood-plastic composite

Recyclable or reusable

- » Materials that are not necessarily made of recycled content, but can be recycled or reused at the end of their lives
 - Examples include metals, wood, plastic and glass.

Salvaged, deconstructed, remanufactured or refurbished

- » Grabbing something before it goes to the dump doesn't just mean one fewer thing that needs to be disposed of, it also means one fewer things that needs to be manufactured
 - Examples included furniture and fixtures such as cabinets, doors, windows and floors.

Durable

- » Materials that last longer don't need to be replaced as often
- » Some people consider non-renewable materials such as plastic to be "green" because of its durability
 - Examples include stone, copper roofing, hardwood flooring, and any high-quality furniture and cabinetry that lasts a long time

Resource efficient manufacturing process

- » Manufacturers who use processes that require less energy, produce less greenhouse gas and produce less waste than conventional manufacturing

Energy efficiency

Any systems, materials and components that reduce energy consumption using renewable energy, such as:

- » solar systems
- » solar hot water heating
- » geothermal
- » wind turbines
- » micro hydro

Water conservation

Materials and systems that conserve and collect water, such as:

- » rainwater harvesting systems
- » low-flow toilets, faucets and shower heads
- » grey-water systems

Indoor air quality

Low-zero-VOC / Minimal chemical emissions

- » Materials that emit minimal or no volatile organic compounds (VOCs)
 - Examples include low- or zero-VOC paint

Low or non-toxic

- » Materials that emit few or no carcinogens, irritants or reproductive toxicants.

Moisture resistant

- » By resisting moisture, products inhibit biological growth such as mold which means they last longer.

Healthfully maintained

- » Materials that can be cleaned using non-toxic or low-VOC cleaning products.

Health-promoting technology

- » Devices such as monitoring instruments that assess the indoor environmental quality (IEQ) and enhance air quality.

Funding programs

Utility companies, your province or territory or municipality or National Resources Canada may have different programs to help with energy efficiency. Your project manager should know about these programs and help the co-op apply for funding. This funding can help reduce the cost to the co-op of using green building materials or upgrading the energy efficiency of your building.

Utility company programs typically offer co-ops funding to increase the energy efficiency of your building. Products might include

- » low-flush toilets and shower heads
- » high efficiency furnaces
- » compact fluorescent lamp (CFL) or light-emitting diode (LED) lighting.

Local utility companies may also offer grants or incentives for doing a home energy audit in members' units. The audit shows what areas could be more energy efficient and gives suggestions on how to do it. Suggestions might include

- » increasing attic insulation
- » improving wall insulation
- » replacing sealants around doors and windows regularly
- » re-caulking windows regularly.

You could also get tips from the energy auditors when you are doing renovations and want to

- » use green building materials
- » use green construction practices
- » improve the efficiency of your *building envelope*
- » reduce heating costs
- » reduce water use
- » reduce electricity costs.

APPENDIX G

Glossary

100% completion: the project is *100% complete* when the engineer or project manager provides documentation stating so.

Bid proposal: a bidder's plan and cost for meeting the conditions set out outlined in a *Request for Proposal*.

Bid bond: A bid bond is the most commonly used risk management tool at the *tender* stage. A bid bond provides assurance to the project owner from the surety that the bidder is not only qualified, but they will take their *tendering* obligations seriously and will follow through on their commitments. A bid bond guarantees the owner that the bidder will honor its bid and will sign all contract documents if awarded the contract. If the bidder refuses to honor its bid, the bidder and surety are liable on the bond for any additional costs the owner incurs in reletting the contract. This usually is the difference in dollar amount between the lowest bid and the second lowest bid. Costs paid to the co-op could also include a penalty (usually 10% of the bid amount).

Building envelope: all of the parts of the exterior of a building that protects it from the elements (roof, exterior walls, windows, exterior doors, and balconies)

CCDC: Canadian Construction Documents Committee

Change order: work that is added to or deleted from the original *scope of work* which will affect the original contract price.

CMHC: Canada Mortgage and Housing Corporation.

Construction lien: a legal claim for payment if a contractor or supplier of the project has not been paid in full upon *substantial completion* of a project. The claim or *lien* is registered on the co-op's property. If it is not resolved the claim gets settled during the sale of the property or when the property is refinanced. The co-op's regulator may have rules against your co-op having a *lien* against the property.

Construction manager: a qualified professional who directs and coordinates the construction either on behalf of the co-op or the contractor.

Deliverables: an item to be provided to the co-op by the contractor or project manager. It could be a report, a document, demolition, a product or any building block of an overall project. A project will be made up of a number of *deliverables*.

Design-Build: a project delivery system where the design and construction services are contracted by a single contractor, also referred to as *Design-Build* Contractors.

General contractor: the contractor that is responsible for the day-to-day oversight of the construction sight, management of vendors and trades, and the communication of all information to all stakeholders during a construction project.

Holdback: a portion of the contract price – typically 10% - that is not paid until the project has reached *substantial completion* and certain conditions have been met.

Lien: See *Construction lien*

Payment Bond and Labour & Material Payment Bond: A *payment bond* guarantees the owner that *subcontractors* and suppliers will be paid the monies that they are due from the Contractor.

A labour and material *payment bond* guarantees that the bonded contractor will pay all claimants for goods and/or services supplied for the bonded project. A claimant under a labour and material *payment bond* is a *trade contractor* or supplier who has a direct contract with the bonded contractor to supply goods or services to the bonded job. It's very important to note that a *payment bond* is a companion document to the *performance bond* and the two should be executed together. Bonding companies typically will NOT issue a *payment bond* as a “stand alone” obligation. Like *performance bonds*, owners typically ask for 50% of the contract amount, but labour and material *payment bonds* can also be in the amount of 100%.

Timing is everything when it comes to *payment bonds*. In order to make a valid claim, it must be submitted before the expiration of 120 days from the last day the claimant worked on the project or furnished materials to the project. With respect to *holdback* amounts, a claim must be made before the expiration of 120 days from the day on which the claimant should have been paid in full under the contract. The bond amount applies to all claims from all claimants.

Payment certificate: a document verified by the project manager that the noted work has been completed and is approved for payment to the *general contractor*.

Performance Bond: A *performance bond* guarantees the owner that the *General Contractor* (GC) will complete the contract according to its terms including price and time. If the GC defaults, or is terminated for default by the owner, the owner may call upon the surety to complete the contract. Many *performance bonds* give the surety three choices: completing the contract itself through a completion contractor (taking up the contract); selecting a new contractor to contract directly with the owner; or allowing the owner to complete the work with the surety paying the costs. *Performance bonds* are typically in the amount of 50% of the contract amount, but can also be issued for 100% of the contract amount.

Prime contract: a contract with a general contractor who has full responsibility for the completion of the project.

Prime contractor: the main contractor who is responsible to complete the full project. The contractor may hire multiple *subcontractors* to work on the project.

Professional Engineer: a person who, because of specialized training and experience, has received the designation of *Professional Engineer* from the provincial association of *professional engineers*.

Project Manager: See *Construction Manager*

Request for proposal (RFP): a document used to obtain proposals for a project. The document includes the *scope of work*, schedules and timelines and other instructions. Generally, the RFP includes a detailed response to the RFP in the form of a proposal for the work or services provided and a price or fees.

Scope of work: The work involved in the definition, design, and production of the components of a project's *deliverables*. And their assembly into a satisfactory working whole.

Shop drawings: is a drawing or set of drawings produced by the contractor, supplier, manufacturer, *subcontractor*, or fabricator. *Shop drawings* are typically required for prefabricated components. ... The shop drawing normally shows more detail than the construction documents.

Subcontractor: A person or business hired to perform a specific task as part of an overall project and is usually paid by the *general contractor* for the project.

Substantial completion: the stage in the progress of the work where the work or designated portion is sufficiently complete in accordance with the contract documents so that the owner can occupy or utilize the work for its intended use.

Tender: a formal written offer to carry out work for a stated fixed price

Tender documents: A written invitation sent to potential suppliers of a good or service to inform them about the information required for the buyer to choose among them. Issuing a *tender document* typically begins the *tender process* by which a business selects qualified and interested suppliers based on such things as their price, availability and proposed delivery terms.

Tender process: a system of selecting a contractor where sealed bids or *tenders* are requested from contractors and then opened and reviewed. A bidder is awarded the contract based on price and quality.

Trade contractor: is a *subcontractor* who specializes in a particular aspect of a construction project, such as electrical, plumbing, or painting.

Workout: a package of help from Canada Mortgage and Housing Corporation (*CMHC*) for a co-op in financial difficulty. Usually, there isn't enough money to pay the bills or carry out major work on buildings. A *workout* typically includes a repayable loan to *CMHC*.

APPENDIX H
Project Management
Checklist

The **Project Management Checklist** outlines the important steps to consider when hiring a project manager for a large capital project.

Know if Canada Mortgage and Housing Corporation (*CMHC*), the Agency for Co-operative Housing or the bank or credit union requires you to hire a *project manager*.

If not, does your co-op have the technical knowledge and capacity to oversee the project?

Develop a *scope of work* for the project that is well defined and clear.

Prepare a draft *request for proposal* (RFP) using the Sample *Request for Proposal* for Project Management in Appendix A.

The board of directors should review the draft RFP and then have it finalized.

Determine which *project managers* to ask for proposals and send them the finalized RFP.

Open the proposals after the deadline for submission.

Carefully review all proposals received and check references.

Select the project manager.

Meet with the project manager you have selected to discuss their proposal, timelines and services provided to make sure that everything is clear before signing a contract with them.

Gather all original construction drawings, technical reports and available information related to the project for the project manager.

Set a due date for the project manager's Assessment of Deficient Building Components.

Review the Remedial Repair Plan and Budget Report prepared by the project manager carefully.

In discussions with the project manager, determine the final *scope of work* including:

- what type of surety bond the contractor should have
- what *tender process* to use
- What type of contract to sign with the successful bidder
- What materials to use
- What the schedule for the project should be.

Designate two people to be the main contact with the co-op for the project manager.

Schedule board meetings as required throughout the project to review and approve documentation provided by the project manager including progress reports and invoices, schedules, and *change orders*.

Keep the members informed during all stages of the project.