



A Church Extension Planning Guide

Church Building and Renovation

Part 2—Construction: From Design to Dedication

On the average of once a generation, a congregation looks to undertake a building project more significant than a new coat of paint in the parlor or new carpet in a classroom. In almost every one of those building projects, a committee is appointed to carry out the wishes and needs that have been agreed upon by the congregation. Of course, members of a committee rarely have identical views on how to accomplish a project.

This planning guide seeks to serve as a road map when a Building Committee begins to think about ways to take a project from the design, as presented by an architect or other design professional, to the dedication of the new or remodeled facility. The time between design and dedication can either be stress-producing and frustrating or rewarding and exciting. The intent of the material contained here is to guide a committee toward the rewarding and exciting.

Committees just beginning their work will want to first look at the Church Extension planning guide, *Church Building and Renovation Part 1—Working with the Architect: From Dream to Design*. It will help the committee in the selection of an architect and the steps in the design process—including costs that can be anticipated in the design phase of a building project.

This resource, *Church Building and Renovation: From Design to Dedica-*

tion, will consider the options that are open to the congregation, and specifically the Building Committee, with regard to the actual construction delivery process. There are many variations to consider, but most of the variations can be traced to one of five general methods. All architects will have preferences about which method is best. Some architects may even require a certain method be used, so it is imperative that the subject of preferred construction delivery methods be explored in the interview with a potential architect before any contract is signed. Traditional methods tend to bring construction persons into the process after the design is finished, while other methods have construction people in the loop earlier in the process. For this reason, a decision on the appropriate construction delivery method for a specific building project will need to be made in consultation with the architect—even prior to beginning the design process.

Construction delivery options

Traditional Bid Process (open and invitation)

By far, traditional bidding is still the most common delivery method that allows the church's architect to work through the first phase of the design process (schematics or conceptual drawings) before stopping for necessary congregational approvals and

fundraising. When all is in line and after any needed modifications to the plan, the architect is released to continue with design development and produce construction documents. Construction documents are then released to general contractors who will bid on the work as drawn and provide a price to the congregation for the work. The bidding process usually takes three to six weeks.

The bid process may either be open or by invitation. Open bidding allows any contractors to place a bid on the work. Open bidding will take significant time when the bids are received, because not only must price be considered but the qualifications of the contractor will need to be considered as well! Bid by invitation invites only preselected and thus, prequalified, contractors to bid on the project. Little consideration will be given to qualifications when the bids are received since it has earlier been deemed that all bidders are qualified for a project. References for general contractors in the invitation bid process are checked in advance and the Building Committee will have a high comfort level with all bidders (usually three or four). The invitation to bid should state clearly that the church is not obligated to accept the lowest bid in case other issues are discovered after documents are released for bid.

The traditional bid process is certainly the most widespread and most familiar. Clear roles are assigned to each party and the design

is clearly determined prior to construction. In addition, a bid process provides a linear process that is easier for a committee to manage. Disadvantages of the traditional bid process include the fact that it is a lengthy process, and the separation of design and construction restricts any useful early communication between the architect and contractor as to design input. This can lead to more change orders (which usually cost money) in the construction process itself.

Preselected General Contractor

In this method, a general contractor is independently selected by the Building Committee shortly after the selection of an architect. This early selection allows the architect and contractor to work together with the committee throughout the design process. Both design and documentation are completed by the architect but with input from the contractor. This input, if the two work well together, has the potential to save the congregation money in actual construction methods, materials, and equipment—creating a better building for the congregation’s ministry. When the design is complete, final construction cost is negotiated through bids from various subcontractors (electrical, heating/air conditioning, framing, drywall, plumbing, etc.).

When everything goes well, this is a very good method of construction delivery. However, using a preselected contractor may provide higher hurdles for the Building Committee when things do not progress smoothly. Items to consider when using a preselected general contractor are:

1. Architect should have worked with contractor previously on a project of similar scope;
2. Building Committee and architect should jointly interview and feel comfortable with the contractor;
3. Contractor should provide cost estimates on various systems early in the design;
4. Contractor must agree to have open estimate sheet showing all costs—including all subareas, mobili-

zation, general overhead, and profit;

5. Contractor must agree to have open bidding after construction documents are complete with a minimum of two bidders in each subarea;

6. With a contingency of 10 percent (plus or minus) added, contractor should agree to a guaranteed maximum price and keep all records open and updated throughout the project.

These guidelines make a preselected general contractor a very attractive construction method.

Design-Build Companies

One-stop shopping is available in the realm of church construction just as one might visit a large store that sells groceries, tires, and clothes. Design-build companies may sound appealing at first, but caution is advised for the committee that wants to look seriously at this method.

In this construction method, the church contracts with one company or consortium that will provide both design and construction services. Some of these firms have architects on staff who will design buildings based on the program of the church as explained by the Building Committee. Others will offer “package” or “stock” plans that can be modified to fit some of the church’s needs. Such firms will promote substantial savings to the church because of the efficiency of a single-point approach and, in many cases, the access to its own work force. This is one of the fastest delivery methods and such a method provides the Building Committee with a single point of responsibility for design and construction. However, in

almost every case the negatives of this method outweigh the positives. Perhaps the biggest drawback with design-build companies is that the architect does not serve directly as the owner’s agent, but is contracted or employed by the design-build entity. This quickly shifts the architect’s ultimate allegiance from the church to the company for which he/she works.

In addition, early cost commitments are not based on full design and documentation that can lead to later cost-cutting strategies employed by the firm without the knowledge of the Building Committee. Unless very specific quality and performance standards have been contractually defined in the beginning, substandard work and material have the potential to haunt the congregation from the first day of occupancy.

Church as General Contractor

In this method, the Building Committee assumes the role of the general contractor in an effort to save money. Almost always, except perhaps on the smallest of projects, this spells disaster. When the committee takes on the role of the general contractor, the church is placed in the uncomfortable role of evaluating and managing multiple contracts. Any problem with a subcontractor (and there will be some) becomes the problem of the committee—including work stoppages, incomplete or substandard work, and nonpayment of suppliers. Many times a church will insist they have just the person who can oversee the project on a daily basis and

Construction delivery options

- **Traditional Bid Process**
- **Preselected General Contractor**
- **Design-Build Companies**
- **Church as General Contractor**
- **Construction Manager**

can keep tabs on the subcontractors. While this may in fact be the case, such a move puts the member in a very awkward situation when someone else feels that an issue should be dealt with in a different way. In short, for major projects, it is not recommended.

Construction Manager

There are many variations that include the addition of a construction manager to a project. A construction manager may be an architect, engineer, contractor, or developer. Construction managers receive a fee for overseeing a project; their role may range from advising during a particular phase of construction to acting as the owner's (church's) agent in all matters pertaining to the project. A construction manager may also act as project coordinator and general contractor.

A construction manager, in general terms, might be considered on very large projects where numerous levels of oversight are needed and no person on the Building Committee can, because of time or experience, commit to being the "point person" for the church. Most often, another level of authority on average church projects only works to confuse the responsibilities and relationships. Additional costs will also be incurred for the construction manager.

Conclusions

Again, there are many variations in each of these general categories. Churches can be found around the country that have experienced much success with each and every construction delivery method that has been mentioned. However, as Church Extension works with churches in the United States, Canada, and Puerto Rico, some clear conclusions can be made regarding which method has the least number of pitfalls for most church building projects.

Certainly, the construction delivery method that remains the standard around the country is a traditional bid process by invitation. The clarity of process and roles combined with the ability to gain competitive pricing allows this method to consistently

rise to the top of any evaluation of methods.

A method that has risen in popularity—the preselected contractor—has many merits and should be considered under the right circumstances. Those circumstances should include the comfort level of both architect and contractor with the process and a clear delineation of roles of each party.

Other methods, if considered at all, warrant much scrutiny. Caution is advised before entering into any of the other methods. In any of the methods, including bidding and preselected contractor, all references should be checked closely. In fact, it is highly recommended that anyone being considered for work be asked to submit documentation of all their work in the past year or two in addition to a list of references. In this way, the committee can check with those on and not on the reference list.

Also for consideration

Alternates

In many of the construction delivery methods listed here, the Building Committee may wish to request portions of the project be bid or priced as alternates. In general, alternates can either be an "add alternate" (added to the base price) or a "deduct alternate" (subtracted from the base price). Most commonly, alternates are variations in nondesign-related matters but do occasionally relate to a design aspect of the project. An example of an add alternate would be the congregation that is building a Family Life Center complete with gymnasium. Although a hardwood floor was the top choice for sports activities, many believed it would be too costly, and, consequently, a different type of floor was selected to be priced in the base bid. The Building Committee, however, asked that a hardwood floor be bid as an alternate. When the bids were received, the Building Committee could then compare these two options and make an informed decision. A large building project may

have a number of alternates (four to five). Too many alternates can scare away potential bidders.

Change Orders

Change orders are a significant part of the building process. They are changes to specifications that were a part of the original design and bid, and they function as a legal amendment to the original contract. Most often, change orders are "extras" that the owner thought were included and saw as necessary but did not get communicated on the bid documents, or are additions as a result of new information.

Change orders can also address time extensions, payment terms, etc., but are almost always an added expense to the church. Although possible, rarely does a change order take something away that was bid but then not needed. In addition to the added expense, change orders tend to disrupt an orderly process toward the completion of the project. Hopefully, a contingency line item was placed in the original budget amounting to 10 percent to 15 percent of the construction cost for changes made along the way.

Insurance

As with most insurance policies, the insured hopes that the coverage will never be needed. However, when an insurance policy needs to be exercised, the money spent on it becomes the best spent money of the entire project.

Three basic coverages should be in force during the construction period. These three policies are payment and performance bond, builder's risk, and a general policy including liability. The church's insurance agent will be a great asset in understanding the various coverages. In many instances, a general coverage will already be in effect at the church and may simply need updating to provide for the general coverages on the new space. The builder's risk policy can be done in two ways and provides coverage for damage in the event of a collapse or fire in the area under construction. The contractor may take the policy naming the church as an



“additional insured,” or the congregation may take the policy with the contractor as an “additional insured.” The latter gives the congregation confidence that a policy is always in effect.

The payment and performance bond is an insurance policy taken out by the contractor (although the cost of the policy will be passed to the congregation in the bid) to insure completion of the project even if the contractor fails to meet the terms of the contract. Many lenders, including Church Extension, will require a performance bond or other such protection on larger projects. A performance bond can cost from one percent to two percent of the construction cost, so there is often resistance to such a requirement; however, horror stories abound from congregations with unfinished projects, unpaid subcontractors, and

a general contractor experiencing financial straits.

Legal Counsel

A building project will be one of the most costly transactions entered into by a congregation. This is not the time to dispense with legal counsel to save a few dollars. All documents, including architectural and construction contracts, should be reviewed by legal counsel with knowledge of the building industry.

Getting from Here to There

While the time line for each project will be different as a committee moves from design to dedication, there are consistent benchmarks in each project that can be used in developing a schedule. A Building Committee Orientation with a member of Church Extension staff will help to develop a time line

relating to the church’s specific project.

Helping plan for a new or renovated structure dedicated to the glory of God and used as a tool in the ministry of a congregation is one of the most rewarding ways that a person can serve the church. The building, for decades to come, will be a present reminder of the days served as a member of the Building Committee. The way it serves the ministry and mission of the congregation will be an ever-present testimony to the work of the committee and the professionals with whom they chose to work. The building process is usually a learning process for all who serve; and, in the end, the fruit of the labor is clear when children learn new stories in a classroom, a meal to the hungry is served from a kitchen, or God is fervently praised in a sanctuary.

Planning Guide

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**Additional Planning Guides
addressing a variety of facility
planning issues are available from:
Church Extension
P.O. Box 7030
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Getting From Here to There

While the time line for each project will be different, there are consistent benchmarks in each project that can be used in developing a schedule. A General Consultation with a member of the Church Extension staff will help to develop a time line relating to the church's specific project. In general, the steps that all major building projects move through include the following:

Benchmark	Time Needed	Resources Available
General Consultation with Church Extension staff to consider needs, understand financial potential and look at possible next steps.	Meeting can usually be arranged in 30-60 days from date of request. Allow 2 hours for meeting.	Church Extension staff. No fee to congregation for consultation.
Strategic or Faithful Planning should be done to articulate the congregation's ministry and mission before undertaking any major building project.	Depending on frequency of meetings, etc., this can take 4-8 months. Other models done in a 2-day retreat setting may be appropriate for some congregations.	Claiming God's Vision available through Church Extension. Faithful Planning available through Church Extension and Disciples Home Missions.
Building Planning grows directly from the programmatic needs of the congregation as expressed in the Strategic Plan or Ministry Plan.	The Building Planning portion can be completed in 2-4 months by a focused Planning Committee.	Building Planning Workbook available from Church Extension at no cost. Follow-up consultation from a Church Extension staff member will help in developing recommendations.
Church Extension Special Architectural Consultation , if needed, to understand possible architectural solutions.	<ul style="list-style-type: none"> • Arranged in 30-45 days; architect on site during one day. • Fee service plus expenses. 	Committee, Board, Congregation, and a Special Architectural Consultant.
Congregational approval and authorization of the formation of a Building Committee following small group informational meetings.	Small group meetings can take 2-4 weeks depending on the size of the congregation. Every member should have the opportunity to give input.	Congregational leadership.
Building Committee Orientation held with Church Extension staff person.	This 2-hour meeting is one of the first meetings of the Building Committee.	Church Extension staff person meets with the Building Committee at no fee to the congregation.
Architect interviews and selection. Contract negotiation.	One month.	Church Extension can provide standard American Institute of Architects contracts as samples and give other input to the development of a contract.
Master planning and schematic design phases of architect's work. If using a preselected contractor, general contractor is selected here.	Depending on the size of the project, workload of the architect and the ability of the Building Committee to make decisions, these phases can take from 2-6 months.	Architect and Building Committee.

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Benchmark	Time Needed	Resources Available
Congregational approval of initial design following series of small group meetings. Approval is also given to a Capital Fund Campaign.	Small group meetings can take 2-3 weeks.	Building Committee, Project Architect.
Capital Fund Campaign.	Recruiting and organizational period can take 6 weeks. Promotional period of the campaign is 4 weeks.	Church Extension can provide assistance with Capital Fund Campaigns for a nominal fee.
Construction documents are developed by the architect after the results of the Capital Campaign are known.	Again, depending on the workload of the architect, this can take 8 weeks or longer on major projects.	Architect.
Plans let for bid.	Contractors should be given 3-4 weeks to formulate bid.	Architect directs the process.
Bids received. Decisions made by Building Committee and architect regarding the selection of a contractor. Contracts signed with contractor.	Contract negotiation may take 2 weeks or more. If bids are not in line with budget, redesign may be necessary—taking much longer.	
Loan application and approval of loan.	Usually 2-3 weeks.	Church Extension or other lending institution.
Loan documentation.	Usually 2-3 weeks, but depends on congregational leadership and local title company.	Congregational leadership with the assistance of Church Extension or other lender.
Construction period.	This can take from just a few weeks up to 1 year, depending on the size of the project and the contractor. Usual construction period for a major building project is 9-12 months.	
Building dedication.	In the context of worship or at a special dedication event.	Congregational leadership and parties involved in the design and construction.
Debt retirement campaigns.	As needed, usually every 3 years, until loan is retired.	Campaign leadership, Church Extension.