

# 5



Uniting Church in Australia  
Synod of NSW and the ACT

## SECTION 5— BUILDING PROJECTS



## TABLE OF CONTENTS

### Building Projects

Part		Page
1	General Overview	33
2	Projects that do not require Uniting Resources approval	33
3	Project Categories, Accountabilities and roles	33
4	Approval of Building Projects	34
5	Statutory Authority Approvals	36
6	Project Management methods	36
7	Building projects process	37
8	Other requirements	40
9	See Annexure	41

## 1. General Overview

- 1.1 Both Property Trusts are entities incorporated under statute. They are the entities within the bounds of the Synod that can legally acquire and hold property whether real or personal. Trust property is either vested in or acquired by the Property Trust and is beneficially held for the use of church bodies within the bounds of the Synod.
- 1.2 All building projects must be undertaken in accordance with the processes set down by URPS and the parties to a building project are the relevant Property Trust as applicable and the building contractor.
- 1.3 Building projects are capital works projects that require approval from URPS before they can proceed.
- 1.4 Building projects may be funded by grants, existing reserves, sales proceeds or borrowings.
- 1.5 All building projects must be undertaken in accordance with the Property Approval Delegations Regulation 4.2 as approved by the Synod Standing Committee, October 2010 (see Annexure 2).

## 2. Projects That Do Not Require Uniting Resources (UR) Approval

- 2.1 The following projects can be approved by the responsible body within their normal decision making structures and do not require UR approval:
  - 2.1.1 Building projects of a maintenance nature with a total project cost of less than \$50,000 that involve buildings that are not heritage listed and do not require the use of sales proceeds or borrowings.
  - 2.1.2 Category 1 projects with approval that is less than twelve (12) months old.

## 3. Project Accountabilities And Roles

- 3.1 Building projects up to \$1 million must have a Client Representative appointed from the relevant church body to undertake the role of Project Manager in accordance with URPS scope of works for the project. This role can be outsourced at the body's discretion to a suitably qualified third party such as

the architect responsible for the project. Any outsourcing of such functions is conditional upon the body ensuring that the third party complies with URPS scope of works at all times.

- 3.2 Building projects over \$1 million require that a professional Project Manager be appointed to the project. The Client Representative appointed from the church body will be the first point of contact and act as the body's authorised representative in all such projects.
- 3.3 It is encouraged that the selection of a Project Manager be sourced from the URPS panel of preferred contractors list. The Project Manager cannot be the architect assigned to the project. There is nothing to preclude the Project Manager also being the Development Manager for such projects.

## 4. Approval Of Building Projects

- 4.1 UR is the final approver of all projects proposed by church bodies.
- 4.2 In some instances, UR may delegate the approvals process to other church bodies.
- 4.3 All projects which require approval must complete an application for approval and submit it to the approving body (see Annexure 6 Application to Build Form).
- 4.4 The dollar value of the building project determines who is responsible for the approval process.
- 4.5 Where a building project relates to Aged care, Child Care, Community Care or Education, prior consent must also be obtained from the relevant Synod Board.
- 4.6 Where contracts for building projects have not been signed within six (6) months of approval, revised costing must be submitted to the approving body in addition to any cost escalations in excess of 10%.
- 4.7 All approvals will lapse after twelve (12) months if not taken up.
- 4.8 Approving bodies should ascertain from URPS prior to granting any approval that there are no unknown building covenants, rights of way or easements granted over the property that could impede the project.
- 4.9 The following limitations will be placed upon any application to build:

- No commitment to the project or work, including demolition, on a project can commence until final approval from URPS has been obtained;
- Final approval involves both approval for the application to build and the requirements relating to sketch plans, working drawings, specifications and the form of building contract;
- If other than an architect, design and construct or a project builder is to be engaged, full details must be included with the application concerning the project supervision proposed, including the qualifications and experience of the supervisor or representative who will take responsibility for the project on behalf of the church body and the Property Trust.
- Any intention to use sales proceeds must be clearly identified on the application form.

#### 4.9 Any application for sketch plan approval in duplicate must include:

- Floor plan, elevation on all sides, internal layouts of rooms and fixed furniture. In the case of additions and alterations, the existing floor plan and the extent of the new additions or alterations to old buildings must be shown.
- Site plan showing whole of site and giving position of buildings, out-buildings, trees, land contours and the north directional point. Plans should be dated and stamped for construction.
- A master plan of present and possible future building positioning should be provided where appropriate and necessary to assess design of the overall scheme.
- Photographs taken from differing angles to provide an overall guide to the site appearance, existing buildings and the building area proposed; in particular with identification and comment on the reverse.
- Drawings should show how new proposals relate to any existing buildings in construction finishes and design.
- Indication of use of space and numbers of persons designed to be accommodated.
- Where projects involve a church or multipurpose hall, a sanctuary layout plan is always required.

#### 4.10 Feasibility Study Process

A feasibility study must be conducted on all proposed development projects and this study must be incorporated into the application approval process. The study should include but is not limited to:

- Review of Master Plan findings
- Analysis of functional brief
- Area allocation model

- Confirmation of site influences
- Identification of viable development options
- Evaluation of options
- Preliminary business case
- Environmental impact study
- Financial analysis
- Risk analysis.

## 5. Statutory Authority Approvals

- 5.1 The Property Trust as the owner of all properties within the bounds of the Synod must apply to the relevant government authorities before commencing building or development projects.
- 5.2 Most local councils will require a letter of authorisation from the owner of the property before they will accept an application for the development of land known as a Development Application or DA. URPS is authorised to issue such letters on behalf of the Property Trust for church approved projects. All church bodies should obtain such approval and authorisation prior to commencing any building projects.
- 5.3 A DA approval and Construction Certificate must be obtained from Council prior to any building project works commencing.
- 5.4 All church bodies must ensure that they seek approval from the local, state and if necessary federal authorities before commencing any works and ensure that all works completed are compliant with all legal requirements. For further assistance please contact URPS.

## 6. Project Management Methods

- 6.1 There are a number of methods of arranging building projects depending upon the size and nature of the building proposed:
  - 6.1.1 Architect. The conventional approach to building projects is to engage an architect who is qualified to produce sketch plans, working drawings and specifications, obtain necessary approvals of statutory authorities, prepare a building contract, conduct a tendering procedure to select a builder and administer the building contract through to its successful completion.

The cost of this service is normally negotiated as a percentage of the contract price of the building project which should be clearly agreed in writing at the outset.

The responsible body has the opportunity to select an architect of their choice subject to the overriding authority of URPS. A listing of architects utilised by church organisations and who are involved in the work of the church is available from UPRS.

- 6.1.2 **Project Management.** This involves engaging a management firm, usually for a fixed price arrangement, which manages the project from start to finish. In this instance, the building contract and provision of specialist consultancy services is the responsibility of the Project Manager who has contractual obligations in this regard. The responsible body has security of price and is not required to be involved in multiple contracts or commitments.
- 6.1.3 **Design and Construct.** There are a number of firms available to carry all the functions of the project through their own employees, which means they are able to more closely coordinate and control such projects. This option should be thoroughly investigated before committing to proceed.
- 6.1.4 **Project Builders.** These are normally involved in residential construction such as ministers' residences. Consideration as to the appropriate size of a minister's residence and associated variations should be taken into consideration before committing to proceed.

## 7. Building Projects Process

Any church body seeking to undertake a building project must complete the following steps in sequential order.

### Step 1

The body identifies a need to undertake a building project.

### Step 2

The body undertakes a formal assessment of the proposed building project. Factors that need to be considered include:

- Missional and/or strategic impact assessment,
- Impact on any other part of the church and consideration of any relevant regulations, by-laws and policies of the church,
- Financial capacity to meet all associated costs,

- Whether borrowings from within the church are required and capacity to service those borrowings,
- A risk assessment that considers:
  - Completion of full legal due diligence
  - Identification, assessment and treatment of all major risks
  - Assessment of all financial risks
- The need to appoint a client representative from within the body and seek guidance from URPS.

### Step 3

The body obtains appropriate approval within its governance structure by passing a written resolution agreeing or disagreeing with the proposal to build.

- For a congregation the church council will make this resolution.
- For all other bodies it will depend on their respective governance arrangements.

### Step 4

If the resolution is to proceed with the proposal to build, then the body will complete an “Application to Build Form” (see Annexure 6) and attach to it the proposal, valuation and assessment, including full details of the sketch plans and preliminary costings of the building.

- For all bodies oversighted by a presbytery, the Application to Build Form and attachments must be submitted to both the presbytery and to URPS.
- For all other bodies, the proposal is to be submitted to URPS, which in turn will then submit the proposal to the Uniting Resource Board for approval.
- Where any body has a specific delegation of approval from the Uniting Resources Board, it may approve the proposal in accordance with the delegation and provide details to URPS.

NOTE: If borrowings are required then the body needs to formally seek approved funding from Uniting Financial Services. Where borrowings have not yet been approved by Uniting Financial Services then any final approval to build will be subject to approval of borrowings.

NOTE: If existing sales proceeds are to be used for the construction, this must be identified in the application form as specific approval for use of sales proceeds is required. Sales proceeds should not be shown as “cash in hand” and are to be separately identified in the “Application to Build Form” (see Sales Proceeds Policy in Section 4, Purchasing Property).

# 5

## BUILDING PROJECTS

### Step 5

The approving body will formally advise the relevant body in writing that their application has been successful or unsuccessful. Where approval to build is given by a presbytery or the Uniting Resources Board, formal written notification will be provided by URPS.

### Step 6

In consultation with URPS, the building project can commence conditional upon the following being undertaken:

- Appointment of a Project Manager where appropriate;
- Obtaining authority to lodge a DA and Construction Certificate from the Property Trust;
- Lodging DA and Construction Certificate with Council;
- Detailed budget for building project;
- If appropriate, undertaking a tender process and selecting suitable tender;
- Making necessary arrangements with Uniting Resources Risk & Insurance Services to insure the project.

### Step 7

Prior to commencing construction, all legal documents relating to the building project are to be submitted to URPS for execution by the Property Trust. A Certificate of Correctness (see Annexure 1) signed by the appointed legal representative must accompany this documentation.

### Step 8

Commence and complete construction in accordance with regulatory requirements.

### Step 9

Following completion of the building project, all documents relating to the construction of the building project, including but not limited to sketch plans, survey, drainage diagrams and zoning certificates, are to be forwarded to URPS for secure retention. Copies of such documents may be retained by the relevant church body for future reference.

### Step 10

URPS enters details of the building into the Synod Property Register and the relevant body assumes ongoing responsibility for the property.

## 8. Other Requirements

- 8.1 Tender Process. When accepting tenders the church body must comply with URPS policy and where the successful tender is engaged it will be subject to all approval conditions being met prior to work commencing.
- 8.2 Building Contracts. All legal documents must be submitted to URPS for execution by the Property Trust with a Certificate of Correctness attached (see Annexure 1).
- 8.3 It is imperative that contractual documents are appropriate to the project and meet the requirements of the Property Trust in addition to other legal, legislative and regulatory requirements. For further assistance please contact URPS.
- 8.4 Letters of intent are sometimes used in the property industry to facilitate the commencement of building works or the establishment thereof before formally entering into a building contract. Such actions will establish an enforceable building contract between the Property Trust and the builder and is therefore not permitted without the review of legal counsel and with the express permission of URPS.
- 8.5 Insurance covering the building process is the responsibility of the builder and covers the building works already completed and all materials etc located on the building site.
- 8.6 Any building contract entered into must clearly specify responsibilities for insurance and this must be assessed to ensure that any liability in respect of the Property Trust is expressly covered by the Property Trust's insurance cover.
- 8.7 To further safeguard the Property Trust it is imperative that any builder engaged provides full documentary evidence including copies of current Certificates of Currency for all insurances held by the builder.
- 8.8 Prior to completion of the building project, the church body must make arrangements with Uniting Resources Risk & Insurance Services to ensure the building and property is insured by the church for the correct value. This must be in place before the handover of the keys takes place as at that point the church assumes total responsibility for the building.
- 8.9 It is the responsibility of the church body through its Client Representative to make provision for builder's progress payments during the construction period. Penalties will apply if payments are not made in accordance with the building contract entered into.

- 8.10 It is the responsibility of the church body to keep a proper account of the building project and ensure that all capital receipts and payments pass through their accounts and are correctly accounted for.
- 8.11 Following building completion, it is essential that all original contract documents and warranties are sent to URPS for secure retention. The church body may keep copies of these documents for their future reference.
- 8.12 On completion of the project the approving body or Program Manager will complete a post project review for the purposes of continuous improvement. This review will be submitted to URPS, follow the URPS recommended format and will summarise the:
- Financials of the project;
  - Performance of consultants and contractors
  - Effectiveness of the design
  - Issues which require attention or lesson learned.

## 9. See Annexure

- Annexure 1 Certificate of Correctness
- Annexure 2 Property Approval Delegations
- Annexure 6 Build Application Form
- Annexure 7A Checklist for Building Projects by Presbytery up to \$1,000,000