

Vestry Corner: Tips for Construction Projects on Church Property

Acting as project managers for construction projects can be a daunting task for vestry members. So much goes into the undertaking. Selecting contractors, keeping the project on budget, and dealing with unexpected mishaps are just the start.

Here are five quick tips for any vestry member who sees a construction project on the horizon:

1. **Agree on the project vision before anything else.**

Before you call in contractors for estimates, announce plans or start raising money, know what you want. This may take some compromise and difficult discussions with the board, but crystallizing your vision before you start saves time in the long run. Then put your understanding of the vision in writing, and ask board members to sign off— just to be sure everyone is on the same page.

2. **Get multiple estimates.**

Collecting estimates enables you to meet potential contractors in person to get a feel for how well you will work together. Multiple estimates can help you establish a budgetary range. Differences between estimates can be substantial, but be sure the bids encompass the same scope of work.

Carefully weigh the pros and cons of using the services of a church member who submits a bid. If something goes wrong, it could create bad blood. And if you do use that church member's services, don't water down the requirements you would ask of outside professionals.

3. **Don't just choose the lowest estimate.**

It might seem like a no-brainer to select the contractor who comes in with the lowest bid, but you should take other factors into consideration. For example, how much experience do the contractors have? Can they provide recommendations? Have they worked on historical buildings in the past (if that's what's needed for your job)? Are they using quality materials?

You may find that the company that bids the lowest is doing so to add to its experience. You may need a more seasoned contractor to complete the job well.

4. **Budget for the unexpected.**

It would be nice if every project were completed on budget, but most construction projects have a cost overrun. How do you make sure that unexpected costs don't leave you scrambling for funds—or, worse, with a half-completed project? Add a contingency to your budget of 15% to 30% percent. If you don't use it, that's fantastic—but it's there if you need it. And if you do have leftover money from the project, consider adding it to your maintenance budget, which may be needed to cover the new construction.

5. Ask to see proof of insurance.

It's important to know that the building company and its workers are adequately insured in order to reduce your organization's risk should worker injury, theft, or other mishaps occur. Any respectable building company will be able to provide proof of insurance easily and quickly. Your religious organization should also be named as an additional insured on the contractor's insurance policy.

Ask for legal help to go over the contract that will be formed between your organization and your contractor. Make sure the contract provides clarity on sub-contractor risk. And don't agree to waive subrogation, which could relieve the contractor's insurance company from its responsibility to pay claims and shift that burden to back to the religious organization.

You may also need to adjust your own insurance policy. Contact **Church Insurance** to speak with a claims representative. Explain what you're planning, and the representative will recommend any necessary changes.

Construction projects can be a headache, but you can set up for success by making sure you have thoroughly prepared before hammer hits nail.