

**THE CORPORATION OF THE CITY OF WINDSOR**

***POLICY***

|               |                                                                                           |                 |                     |
|---------------|-------------------------------------------------------------------------------------------|-----------------|---------------------|
| Service Area: | <b>Office of the City Engineer/ Office of the City Solicitor</b>                          | Policy No.:     |                     |
| Department:   |                                                                                           | Approval Date:  |                     |
| Division:     | <b>Engineering – Development &amp; Geomatics/Legal - Purchasing &amp; Risk Management</b> | Approved By:    | <b>City Council</b> |
|               |                                                                                           | Effective Date: |                     |
| Subject:      | <b>Design-Build Contracting Policy</b>                                                    | Procedure Ref.: |                     |
|               |                                                                                           | <i>Pages:</i>   | Replaces:           |
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**1. POLICY**

1.1 This policy describes the contract requirements for the delivery of Design-Build Projects, and to ensure that project deliverables are clear and measureable. It provides procedures and guidelines to deliver successful Design-Build projects and should be applied in conjunction with the Project Management Methodology Policy.

**2. PURPOSE**

2.1 In a Design-Bid-Build project, construction documents are prepared by a designer. After construction documents are complete, bids from qualified general contractors are solicited. Typically, the lowest compliant bid is awarded the contract. The contract is for a fixed price.

In a Design-Build project, there are no construction documents when the contract is signed. Instead, an “Owner’s Statement of Requirements” or “OSR” is prepared which describes the requirements of the owner in a manner that is both clear and measurable. The OSR document needs to explicitly describe the requirements which are capable of measurement against the completed project.

The reasons to use a Design-Build process rather than a Design-Bid-Build process generally relate to time constraints and/or the owner’s willingness to consider a variety of options in order to meet the objective.

2.2 The objective of this policy is to enable the Corporation to deliver successful Design-Build projects in compliance with the required scope, policies and directives of City Council and applicable legislation. Experience has shown that the most important factors in delivering successful projects is to ensure projects are well defined up front

and minimize scope changes once a project is underway. Therefore this Policy specifically:

- Outlines the minimum content of the Request for Proposal (RFP) and contract documents for a Design-Build project;
- Provides guidelines to ensure that the RFP clearly states the owner's requirements.
- Provides standard procedures and guidelines that are to be utilised in Design-Build Projects.

### **3. SCOPE**

- 3.1 This Policy applies to ALL City of Windsor Design-Build projects that fall under the mandate of the CAO.
- 3.2 Where a Project involves external stakeholders and/or funders with a separate Design-Build contracting policy, a review will be done by the Project Manager to determine the more stringent of the two policies and, at a minimum, will ensure that the City's requirements under this policy is met.

### **4. RESPONSIBILITY**

The responsibilities related to use of this policy are detailed as follows;

- 4.1 The Mayor and City Council are responsible for:
  - Approving and supporting the Design-Build Contracting Policy;
  - Ensuring that the Design-Build Contracting Policy is supported through approval of the appropriate allocation of resources;
  - Providing specific and clear direction as to the desired outcome of the project;
  - Deciding if an Honorarium is to be included in the RFP.
- 4.2 The Chief Administrative Officer is responsible for:
  - Enforcing and supporting the Design-Build Contracting Policy.
  - Approving amendments to any Schedules and Procedures created under this Policy without further approval by City Council.
- 4.3 The Corporate Leadership Team is responsible for:
  - Enforcing the Design-Build Contracting Policy;
  - Ensuring that the Design-Build Contracting Policy is supported through recommendation of appropriate allocation of resources.
- 4.4 The Executive Directors and their Subordinates are responsible for:
  - Ensuring that the Design-Build Contracting Policy is followed within their respective departments.
- 4.5 The Legal Department is responsible for:

- Ensuring that the Design-Build contract is satisfactory in form and legal content and complies with the Design-Build Contracting Policy.
- 4.6 The Manager of Purchasing & Risk Management is responsible for:
- Conduct of the procurements related to the project, including the retention of the Design Builder, in accordance with the Purchasing Bylaw and any other applicable bylaws or rules.
- 4.7 The Project Manager is responsible for:
- Following the contracting practices described in this policy;
  - Ensuring that the OSR is complete and supports the project goals and direction.
- 4.8 The Office of Continuous Improvement (OCI) is responsible for:
- Monitoring compliance with this policy for projects categorized as „Major“ under the Project Management Methodology Policy;
  - Reviewing this policy at least once every three years;
  - Updating this policy as required.

## 5. **DEFINITIONS**

- 4 **Project** is defined as “a *temporary endeavour undertaken to create a unique result, service or product.*”
- 5.2 **Design-Build Project** is defined as a Project that is contracted to a single vendor for design and construction services.
- 5.3 **Owner’s Statement of Requirements (OSR)** is defined as the scope of work to be undertaken by the Project including all objectives and deliverables the Project is expected to achieve. It may be a combination of performance criteria, and defined detailed specifications & drawings.
- 5.4 **Budget** is defined as the total gross amount of financial resources required to complete the project, which may include procurement and or development costs, interest charges during the life of the project needed to finance the unfunded expenditures, appropriate salaries and benefits (as defined in the Capital Tangible Assets Policy) necessary to deliver the project in scope. Project budgets are to be presented in the format set out in the Finance Checklist for Council Reports and Delegation of Authority Reports document.
- 5.5 **Honorarium** is a payment given to a professional person for services for which fees are not legally or traditionally required (payment for proposal).

## 6. **CONTRACTING PROCESS**

6.1 For all projects where the preferred method of execution is deemed to be Design-Build, and is categorized as „MAJOR“ projects under the City of Windsor’s *Project Management Methodology Policy*, it is mandatory that the contracting process comply with the procedures outlined in Schedule A.

As these are based on best practices, it is encouraged to use these principles for „SMALL“and „MEDIUM“Design-Build projects as outlined in Schedule A.