



Facilities Management

PART 1. Guidelines for Contractors on Construction Projects

First Nations Health Authority

Health through wellness

In an effort to standardize the information provided to First Nations Health, the Facilities Management division has developed the following guidelines for contractors to adhere to when dealing with Construction Projects:

- Major Construction Projects (construction value > \$100,000) will be processed using a Stipulated Price Contract. The Contract must be executed prior to the first Application for Payment.
- Minor Construction Projects (construction value > \$50,000 and < \$100,000) will be processed using the Minor Construction Contract.
- The primary contact for First Nations Health will be the named Project Manager, or designate.
- A purchase order will be initiated for all construction project and the number **must** be referenced on all invoices.
- All documents requested to the Letter of Award must be provided to First Nations Health within ten (10) days of contract award.
- Progress Summary, including summary of Cash Allowances and Change Orders, is to be provided to the Consultant by the 25th of the month. Upon approval of the summary, Progress Claim invoices, with all required back up paperwork as per the Contract Documents, including Statutory Declarations, are to be forwarded to the consultant for issuance of Certificate of Payment. The Consultant will forward all documentation to First Nations Health for payment.
- Upon Request, the following documents for Major Construction Contracts must be presented to Facilities Management, First Nations Health, with a copy to the Prime Consultant, within 10 days of contract award:
 - Labour and Material Payment Bonds
 - Performance Bonds
 - Schedule of values
 - Construction Schedule
 - Certificate of Insurance (as per form provided in Letter of Award)
- An updated construction schedule is to be provided to Project Manager weekly, preferably on _____.

CHANGE ORDER PROCESS IS AS FOLLOWS:

- A Supplemental Instruction will be issued when a change is required that will have no financial impact on the project
- Cash Allowances are to be accessed by use of a Change Directive. Cash Allowances are to be summarized on a monthly basis. A Change Order will be issued by the Consultant at the end of the project to reconcile and clear all remaining unused portions of the Cash Allowances;
- First Nations Health will not accept a markup from General Contractors or Subcontractors on trade work clearly identified in the Cash Allowance.
- Contemplated Change Notice will be issued for pricing by the General Contractor and include the following:
 - Quotes for materials and labour by General and Subcontractors.
 - Indication of number of days added to the schedule.
- Change Orders must include all back-up documentation.
- Three **original** Change Orders will be presented to the Project Manager for signature at Site Meetings. Contractor and Consultant to sign change orders prior to Project Manager signature.
- Change Order Mark-Up is as follows:
 - To Work done by a General Contractor or Subcontractor (that is the firm actually doing the Work), an allowance may be added of ten (10) percent for overhead and ten (10) percent for risks/profit;
 - To the cost of Work done by a Subcontractor, the General Contractor may add an allowance of five (5) percent for processing and supervision of Subcontractor's Work.

It is recommended that invoices for Purchase Orders issued outside of the Stipulated Price Contract are submitted to the Construction Project Assistant, at the Facilities Management office and **must** reference a Purchase Order number.