




# ARCHDIOCESE OF SAN FRANCISCO

## REAL PROPERTY SUPPORT CORPORATION

1301 Post Street, Suite 102, San Francisco, CA 94109-6667 (415) 292-0800 Fax (415) 292-0805

DATE: June 11, 2013

TO: ALL PASTORS AND PRINCIPALS

FROM: Jack M. Hammel  
Executive Director 

RE: REVISED PROCEDURES FOR NEW BUILDING CONSTRUCTION AND  
BUILDING RENOVATION PROJECTS IN EXCESS OF \$100,000

It has been nearly six years since former Archbishop George Niederauer wrote to you announcing the formation of two support corporations (The Real Property Support Corporation (RPSC) and The Capital Assets Support Corporation (CASC)) to hold and manage the canonical assets of the various Archdiocesan parish and school juridic persons. This passage of time has provided an opportunity to assess which policies and procedures adopted by these Support Corporations are working, or not working, in terms of maximizing the stated objectives of these corporations (i.e. to support and benefit the parishes and schools operated by the The Roman Catholic Archbishop of San Francisco, A Corporation Sole (RCA) in accordance with the laws of the Catholic church).

Overall, the transition to the Support Corporation model has been relatively simple and seamless, causing little change or disruption in the day to day affairs of our parishes and schools. However, several joint meetings this year among representatives of the RPSC, CASC and RCA surfaced notable problems associated with existing policies and procedures pertaining to new building construction and major building renovation projects. It became clear that there was a need to clarify/tighten up the canonical/civil processes governing approvals and payments when these significant and costly projects are involved. As a result, the attached two page, "plain English", nine step process was developed and will take effect July 1, 2013 (prior approved projects already in progress will also be covered beginning this date as relates to the contractor payment process). Please read and retain this document and share it with your chief financial administrators, development personnel, finance councils and consultative boards.

In short, these revised procedures are designed to reduce confusion relative to obtaining project approvals, to streamline the contractor payment process, and to facilitate timely, accurate and consistent accounting/budget reconciliation by the

parishes/schools/JPSC/CASC and RCA. To that end, the process will always begin with, and be coordinated by, Steve Kalpakoff at the JPSC, and ALL BILLS will be paid solely and DIRECTLY by the CASC.

Thank you in advance for your anticipated cooperation as we move forward with this revised process.

Attachment



# ARCHDIOCESE OF SAN FRANCISCO

## REAL PROPERTY SUPPORT CORPORATION

1301 Post Street, Suite 102, San Francisco, CA 94109-6667 (415) 292-0800 Fax (415) 292-0805

TO: Parish or School  
FROM: Steve Kalpakoff, Associate Director   
RE: Process for Proposed New Building Construction and Building Renovation Projects in Excess of \$100,000.00  
DATE: July 1, 2013

The following specific steps apply to any proposed NEW Building Construction and Building Renovation (*as opposed to routine deferred maintenance*) projects in excess of \$100,000.00. **(NOTE: All maintenance and repair work of any nature OVER \$15,000 must be coordinated through my office).** Upon completion of **STEP ONE** (Submittal of Detailed Proposal), we will review and proceed to the next listed **STEPS**. If there are any questions, do not hesitate to contact our office for further guidance. Thank you for your anticipated understanding and assistance.

**PREAMBLE:** There are a number of important items that must be considered before determining if, and to what extent, a proposed major parish/school project may proceed. These include such things as current demographics, the parish's / school's long term viability, fundraising feasibility studies, realistic budgets, practicality/buildable nature of buildings, financial health and accountability of parish/school, ability to obtain any necessary loans etc. The following steps have been established to address these issues in a timely and cost efficient manner. Please review and follow them carefully.

### **STEP ONE (Submittal of Detailed Proposal)**

Send to the Archdiocese of San Francisco ~ Real Property Support Corporation's (RPSC) Building Committee (c/o Steve Kalpakoff, Associate Director) a detailed description of the proposed project, including:

1. The Building Type
2. Purpose/Intent
3. User Groups
4. Area/Square Footage
5. Budget (*List sources of current funding and assumable revenue generated (if any), foreseen operational costs and estimated budget range for loan payments.*)
6. Fundraising Feasibility Study

The RPSC (Steve Kalpakoff) will evaluate the information to assist the Parish/School in retaining a qualified and informed Architect.

### **STEP TWO (Selecting an Architect and Preparation of Preliminary Schematics)**

After the RPSC (Steve Kalpakoff) has obtained the requisite preliminary Canonical conceptual approval from the applicable Pastoral Center representative of the Archbishop (*i.e. the Moderator of the Curia following his consultation with the Capital Assets Support Corporation (CASC) concerning assets on hand/loan possibilities, etc.*) about the proposed nature and extent of the project (*outlined in STEP ONE*) the RPSC will provide the Parish/School with direction concerning the hiring of an Architect (*NOTE that RPSC officer(s) must approve and sign the Architect contract*). An Architect will be selected to prepare a simple set of preliminary schematic designs after the Parish/School first makes an affirmative commitment of a minimum of \$100,000.00 from Parish/School funds (*via a "certification of funds" confirmation from the Capital Assets Support Corporation to the RPSC to cover the costs of the Architect's preliminary design work, as well as any more detailed schematics, building permit drawings, preliminary plans, specifications and construction drawings that may be later authorized, pursuant to STEPS THREE, FOUR and FIVE.*)

### **STEP THREE (Conditional Loan Application/Approval)**

Insofar as financial ability is a critical factor in the determination as to whether a project ultimately will be permitted to proceed, the parish/school will apply for a loan, if needed, with the CASC. Any loan approval at this stage will be preliminary only. That is, it will be conditioned upon the necessary reviews and approvals set forth in **STEPS FOUR** through **EIGHT**.

### **STEP FOUR (Architect's Presentation to the Building Committee)**

The Architect and Parish/School Representative (typically the Pastor/Principal and Finance Council Chair at a minimum) will contact the RPSC to schedule a meeting with the Building Committee to present the Preliminary Schematics and related budget and funding sources (e.g. *proposed Capital Campaign / Conditional Loan Application Approval*).

### **STEP FIVE (Preparation and Presentation of Detailed Designs and Plans)**

IF the Building Committee and Archbishop's Pastoral Center representative (*Moderator of the Curia*) concur, in principle, with the feasibility of the project (*outlined in STEP FOUR*) then the Building Committee will request that the Architect prepare the following:

- ✓ A full, detailed set of Schematic Designs
- ✓ Preliminary Plans and Specifications
- ✓ Building Permit Drawings
- ✓ Construction Drawings and Specifications

The Parish/School understands the possible necessity of re-designing the above referenced documents based on comments (e.g. *pertaining to cost analysis*) by the Building Committee and, accordingly, the possibility of submitting a revised budget.

### **STEP SIX (Final Canonical Approval of Archbishop, through the Office of the Moderator of the Curia, and Determination of Needed Consultants/Contractors)**

After the process in **STEP FIVE** is completed the Building Committee will make its recommendation to the Archbishop. IF the Archbishop (*through the Moderator of the Curia*) then provides the requisite final canonical approval to proceed with the project (*and subject to final loan approval and compliance with STEPS SEVEN and EIGHT*) the Building Committee will work with the Architect to select the appropriate consultants and contractors (subject to the Archdiocese's competitive bid policies and procedures).

### **STEP SEVEN (Competitive Bid Process)**

After the drawings have been completed, RPSC will coordinate with the Parish the "Pre-Qualification" and selection of contractors who will bid the project. After bids are received and qualified by the RPSC (*Building Committee*), the total dollar amount for the project will be established and a *Certificate of Funds* form (*outlined in STEP EIGHT*) will need to be completed.

### **STEP EIGHT (Certificate of Funds)**

IF the RPSC receives confirmation from the CASC (*via a signed Certificate of Funds form*) that the necessary funds are on hand, and are authorized by the Parish/School for distribution, the "Competitive Bid" process for the various consultants and contractors will begin, and the authorized RPSC officers will review and sign the applicable contracts.

### **STEP NINE (Payment of Consultants and Contractors)**

All Consultant/Contractor requests for payment (*or Change Order requests – COR*) **MUST** be forwarded directly to RPSC (*Steve Kalpakoff*) for review and approval. After Steve receives the concurrence of the Parish/School, the Payment Application/Invoice will be forwarded to CASC for **DIRECT** payment to the applicable Consultant/Contractor.

**NOTE:** It is critical that **ALL BILLS** be paid solely and directly by the CASC (*i.e. no payments are to be paid by the Parishes followed by a request from the Parish to CASC for reimbursement*). Otherwise, it is virtually impossible for the Parish/School, CASC, RPSC and/or auditors to compile an efficient and accurate account/budget reconciliation.