

Pelham Community Centre Construction Oversight Committee Terms of Reference Revised, October 2017

Mandate

The Construction Oversight Committee (COC) of the Town of Pelham has been established to provide reliable and transparent oversight on the following key issues associated with the Pelham Community Centre (PCC) construction project:

- 1) The project cost and schedule is well managed - the COC will examine issues such as whether management processes and controls are well designed and followed, contracts are being managed diligently and financial drawdowns comply with the established process.
- 2) The PCC is meeting the cost and schedule objectives – the COC will examine issues such as how schedule performance and forecast compare to the plan, how cost performance and forecast compare with the budget, how cost and schedule forecast compare with current performance and how cash flow forecasts reflect the project’s funding requirements.
- 3) The cost and schedule risks are being reasonably anticipated and managed – the COC will examine issues such as whether risks are being sufficiently identified and addressed and whether Ball Construction (Ball) has established adequate contingency to address outstanding project risks.

The COC’s mandate does not include participation in the management of the project. Oversight of health, safety and environment, quality, and regulatory compliance are specifically excluded from the COC’s scope.

Objectives

The objectives are to provide reliable and transparent oversight on the cost and schedule performance of the PCC and to establish a direct and effective communication between Ball, Administration and Mayor and Council. It is the role of Mayor and Council to communicate directly with the public.

Members

The COC will consist of the following members:

- One member of Council as appointed by Mayor and Council of the Town of Pelham.

- Two members of the community as appointed by Mayor and Council.
- The Chief Administrative Officer for the Town of Pelham.

Meetings

Meetings will be chaired by one of the two members of the public appointed by Council.

The COC will meet, as determined by the COC in co-operation with Ball Construction, and more frequently if required.

Meetings will be minuted by the Town of Pelham Clerk or her designate.

Information Requirements

The COC's information requirements may be summarized as follows:

Cost Information

- a) Baseline budget as developed by Ball and approved by Mayor and Council.
- b) Cost reporting showing in period and cumulative data for the following: baseline budget changes, cost to complete, final forecast cost, and variance.
- c) Contingency draw log, report of planned vs. consumed contingency.
- d) Contract and work package level cost reporting including: original commitments, change orders, revised commitments and invoiced and incurred to date.
- e) Rolling cash flow – forecast and planned versus actual.
- f) Funding request log for tracking funding draws.
- g) Variance analysis and corrective action for all material cost variances.

Schedule Information

- a) Schedule development and control plan including schedule specification, basis of schedule and assumptions.
- b) Schedule milestone report showing baseline finish, actual/forecast start and finish, variance, % complete, critical and sub-critical path, with further levels of detail available as requested.

- c) Performance report showing performance, trend and forecast where available for program as a whole and each material contract work package.
- d) Variance and analysis and corrective action for all material schedule variances.

Other Information

- a) Standard project monthly progress report (including health and safety, environment, scope & change, cost, schedule, quality, risk and contract reports.
- b) Progress reporting of material sub-contractors.
- c) Project work breakdown structure.
- d) Project policies, plans and procedures.
- e) Project execution and contracting strategies.
- f) Change orders.
- g) Engineering reports.
- h) Notification of award of: material contracts/value of other contracts.
- i) Issues log or other established reports for recording and managing issues.
- j) Other information as the COC may from time to time require.

Existing Oversight

The Town of Pelham has provided significant oversight for this project since its inception. The Provincial government has also established robust project oversight (Infrastructure Ontario oversight reporting requirements) as conditions of the loan guarantee.

Ball Construction has been retained as the project managers and is responsible for the day to day oversight of the construction of the PCC.

The Town of Pelham is responsible for determining whether the organizations network of risk management, control and governance processes is adequate and functioning as intended. The Town of Pelham's external auditor is the independent accounting firm responsible for the attest auditing of the financial statements for the project. Deloitte LLP, Chartered Accountants, is the current independent firm responsible for these activities.

Cost, Schedule Performance, Forecasts and Risk Management Oversight

The COC's role is focused on the project's cost and schedule performance therefore the COC's mandate includes:

Are the project costs, schedule and risks well managed?

- Working with Ball Construction to ensure process and controls are well designed.
- Ensuring adherence to process and controls during the construction of the project.
- Evaluating and recommending diligent contract management.
- Ensuring financial draws comply with established financial procedures.
- Evaluating schedule performance and forecasts adherence to the plan.
- Comparison of cost performance and forecasts compare to project baselines.
- Evaluating cost and schedule forecasts against current performance.
- Evaluating whether cash flow forecasts adequately reflect the project's funding requirements.
- To evaluate whether schedule risks are being reasonably anticipated and managed.
- Evaluate whether risks are being sufficiently identified and addressed.
- Evaluate whether there is adequate contingency in place to address the outstanding project risks.

Reporting Protocol

Ball will provide access to all the information requested by the COC on a regular basis. The COC will compare project cost and schedule performance to the capital budget and project schedule. The COC will align its information requirements with Ball's reporting rhythm.

The COC will file a written report to Mayor and Council on a monthly basis, or as requested by Mayor and Council. Where necessary, in order to protect the Town's commercial interests as they relate to the people's investment in the project, the COC committee will report information and the results of its reviews on a summary basis.