

DIOCESE OF LA CROSSE

CONTRACT REVIEW PROCEDURE

I. Introduction:

WHEREAS, by Canon Law the Bishop is the trustee and steward of all Diocesan property;
WHEREAS, all Dioceses, parishes and Diocesan entities are experiencing claims against them with increasing frequency by third parties;
WHEREAS, the Insurance Liability carrier of the Diocese and its parishes and institutions has specifically recommended the consideration and adoption of contract review policies;
NOW, therefore, it is appropriate for the Diocese of La Crosse to adopt the following contract review procedures.

II. Purpose:

This contract review process is intended to assist the Bishop and La Crosse Diocesan entities in avoiding time consuming and costly disputes by providing a mechanism for consistent, efficient and effective review of major Diocesan contract liabilities.

This contract review process is not intended nor does it replace the Diocesan consultative processes required and already in place in the Diocese. In addition, this contract review procedure is not intended to substitute authority and/or impose control other than that required by Canon or Civil Law.

III. Documents that require Diocesan prior review:

- A. All contracts or agreements written or oral of whatsoever nature or kind the cumulative value which exceeds \$5,000.00;
- B. All building lease agreements written or oral regardless of value;
- C. All deeds, mortgages, promissory notes, zoning petitions, annexation petitions, and any and all matters involving real estate regardless of value;
- D. The only contracts excluded from this contract review procedure are Diocesan Teacher Contracts, Educational Administrator Contracts and D.R.E contracts, which are already reviewed under existing Diocesan contract review procedures.

IV. No Diocesan/Parish contract shall be approved if the contract provides:

- A. An indemnification clause which requires the Diocese and/or Parish to indemnify the vendor;
- B. An arbitration of disputes clause;
- C. A choice of law other than Wisconsin;
- D. A forum for dispute resolution other than Wisconsin;
- E. A provision which requires the Diocese and/or Parish to pay the attorney fees and costs of the vendor;

F. A provision which requires just or proper cause to terminate the contract.

V. Substantive Provisions:

A. All contracts covered by this policy must be approved by the Bishop after a review by St. Ambrose Financial Services, Inc. and the Diocesan Attorney. No contract will be valid if advance Diocesan approval, as required by these policies, is not followed.

B. All contractors and service providers shall carry three types of insurance: Public Liability, Worker's Compensation and Automobile Liability Insurance.

C. Certificates of Insurance shall be obtained verifying all three of the above coverages. The certificate of insurance **must** state in the box titled DESCRIPTION OF OPERATIONS/ LOCATIONS/VEHICLES/SPECIAL ITEMS: **Additional Insured is the Diocese of La Crosse, Bishop William Callahan and (Insert Name of Parish) Parish.**

(The Diocese of La Crosse should **NOT** be listed as certificate holder.)

D. Contracts for small construction jobs, including renovations, and small additions shall be on a standard form contract.

E. Professional service contracts are required when contracting for the services of architects and engineers. The contracts shall require professional liability insurance to be provided to the Diocese.