

IMPORTANT REMINDER

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, the contractual proposals from contractors and insurance documents from liability insurance providers have become increasingly complex.
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, parishes and La Crosse Diocesan entities by insuring each of their temporal goods are best protected, as well as taking reasonable measures to avoid 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 the cumulative value which exceeds \$20,000.00.
 - 1. Projects **regardless of cost**, require a standard review for contract language and liability insurance coverage.
 - 2. The projects under \$20,000.00 do not require an improvement authorization form and cannot be used as a quota reduction on Line 22 of the Bishop Annual Report;
- B. Regardless of cost, any project that involves remodeling, renovation or disruption of building materials; requires that you contact the Office for Buildings and Grounds. This is to help identify any regulated hazardous materials that may need to be abated prior to renovation.
- C. Any project that involves renovation or modification of liturgical space, church art, and furnishings are required to be reviewed by Office for Sacred Worship (See guidelines of the National Conference of Catholic Bishops, "*Built of Living Stones*");
- D. All building lease agreements written or oral regardless of value, or length of term;
- E. All deeds, mortgages, promissory notes, zoning petitions, annexation petitions, and any and all matters involving real estate regardless of value;

- F. The only contracts excluded from being reviewed by the Buildings and Grounds/Temporalities Office are; Educator/Administrator contracts reviewed and governed by the Office of Catholic Schools, 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 should not allow a contractor to exercise absolute discretion to terminate a contract, but a permission to terminate a contract for just cause may be permissible (e.g., some breach or wrongdoing by the parish/Diocese/et cetera.).

V. Substantive Provisions:

- A. All contracts covered by this policy must be approved by the Bishop after a review by the Office for Temporalities, and if necessary the Diocesan Attorney and Catholic Mutual Group. No contract will be valid if advance Diocesan approval, as required by these policies, is not followed.

B. Insurance:

- 1. All contractors and service providers shall carry three types of insurance: Commercial General Liability, Worker's Compensation and Automobile Liability Insurance.

- (a) 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 (Insert Name of Parish) Parish.**

- (b) Certificate of Insurance of Commercial General Liability, with a limit of not less than One Million Dollars (\$1,000,000.00) per occurrence, shall be written on the ISO CG0001, 1998 occurrence form, or equivalent or broader, with no additional exclusions or conditions precedent to the effectiveness of the additional insured coverage, and must provide primary, not contributing coverage.

- 2. Independent contractors not holding worker's compensation coverage shall be required to complete a hold harmless agreement.

- C. 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.