CONTRACT REVIEW POLICY

Catholic Mutual Insurance requires all members of Catholic Umbrella Pool II (Cup II), of which the Diocese of Fargo is a member, to adopt a contract review policy to be used for all small construction, renovation, additions, repair and maintenance, and/or building type projects. This is separate from land transactions which must be approved, and signed by the Bishop, and the limits in place for approval of a project.

The main propose of contract review is to insure that the liability under the contract is assumed by the proper party, and in particular that the Diocese of Fargo or its related or affiliated corporations do not agree to any unnecessary hold harmless provisions.

Due to this requirement, the Diocese of Fargo has established the following guidelines pertaining to contract review:

1. All contracts exceeding the limits are to be approved by the Diocesan Properties Manager, Diocesan Attorney or a qualified individual at the Diocese of Fargo before work can begin. Building, renovation, and/or capital improvements/repairs must be approved, in advance, by the Bishop or his delegate if they exceed the limits. The limits are: 1) $10,000 for parishes of 50 households or fewer; and 2) $20,000 for parishes with more than 50 households. New Construction must always be approved.

2. All building lease agreements must be reviewed by the Diocese of Fargo before execution. Contact Diocesan Properties Manager.

3. All contractors and service people are required to carry three types of insurance (regardless of size of contract):
   a. Public Liability [$1-$2 million depending on project scope]
   b. Worker’s Compensation
   c. Automobile Liability

4. Certificates of Insurance are to be obtained verifying all three of the above types of insurance and naming the Parish/Institution and the Diocese of Fargo as additional insured.

5. The attached standard contract developed for small construction jobs including renovations, small additions, etc. or an approved alternate may be used. This contract is executed with the “general contractor”. This will help avoid having a different contract for each job and each contractor.

6. Professional service contracts are to be used when contracting for the services of architects and engineers. The contract will require that proof of professional liability insurance is to be provided to Diocese of Fargo.

In some cases, it may be reasonable to vary the insurance requirement (consult Diocesan Properties Manager) by the type of work the contractor performs. It should be remembered, however, that the need for Worker’s Compensation insurance is the same for a small contractor as it is for a large one and that the Auto Liability is just as important for the person who cuts the grass as it is for the general contractor on a new building.

[Revised July 1, 2010]