

BUILDING POLICY

CONSTRUCTION, RENOVATION OR MAJOR MAINTENANCE

From time to time parishes find it necessary to engage in construction of new facilities or the renovation or major maintenance of existing ones. This policy and accompanying protocol guide the complex and mutually supportive interplay of responsibilities exercised by Bishop, pastor, consultative bodies and diocesan administrators when this activity is undertaken. The Diocesan Building Commission, the Diocesan Liturgical Commission, as well as diocesan administration, play unique roles in serving the Bishop and pastors in the exercise of their responsibilities.

This policy and associated protocol apply to all parishes and missions in the Diocese of Spokane. They also apply, as determined by the Vicar General or Vicar for Finance to other Catholic institutions and entities associated with the mission of the local Church, especially regarding matters pertinent to liturgical environment. The focus of this policy/protocol is to foster unity and collaboration in the local Church, seeking the common good and welfare of the People of God. Each parish enjoys an autonomy that is not absolute. Our Catholic identity involves a system of accountability through adherence to policies and regulations which protect the patrimony of the People of God. Whenever this policy makes reference to the "Bishop," the Vicar for Finance will normally be the agent acting in his name, unless the text or context indicates the Bishop's personal action, or if the Bishop has indicated his intent to personally intervene.

GOVERNING POLICIES

1. A "Project" referred to herein is new construction, the renovation of existing parish facilities or major maintenance of a parish facility which:
 - a) impacts the appearance, aesthetics, or liturgical environment of a building; and/or,
 - b) impacts the function or future use of a building; and/or,
 - c) creates a significant financial obligation to the parish relative to its income history and its continued viability as a parish. Normally a "significant financial obligation" is a project in one excess of \$10,000.
2. Because a Project may vary in size, complexity and impact, the Bishop determines the extent to which compliance with these policies and associated protocol is required for a particular Project. The pastor is responsible for initiating communication with the Bishop regarding a Project and the extent to which compliance with this policy/protocol statement is required.
3. Although appreciation of liturgical propriety and aesthetic value may vary from person to person, from time to time, and even parish to parish – additions to or changes in the internal or external liturgical and aesthetic presentation of a facility require prior approval on the part of the Bishop.
4. Decisions regarding a Project are made most effectively in the context of a planning process which normally includes the participation of the parish Pastoral and Finance Councils. The affirmation of a Project by these bodies must be evident. The creation by the parish of a separate advisory Planning Committee and/or a Building Committee may be beneficial in the planning and execution of a Project.
5. Professional consultants may be engaged in the creation of a Project proposal, but no commitment may be made to such persons for further engagement of services until permission is granted.
6. The Bishop's written approval is needed to proceed beyond the conceptual stage of a Project - regardless of its anticipated cost or value. Though it may be given by the Bishop at any time in the planning process, his permission also is required for the initiation of fund-raising efforts related to the Project.

7. The Bishop's written approval is required for the pastor to hire a design architect and/or contractor for a Project. The architect must be certified by the State of Washington. As part of contracted duties, the architect is responsible for advertisement for bids, the opening of bids and assisting the pastor in the selection of a contractor. The contractor must be licensed and bonded in the State of Washington.
8. Unless determined otherwise by the Bishop, a Project must be submitted for three competitive bids. Because the owner must maintain control of design details and their quality, the design-build method of construction (i.e., the contractor's hiring and controlling the work of the architect) is not permitted. If the Bishop approves a guaranteed bid approach to construction, the bid must have a guaranteed cost maximum, agreed to in writing by the contractor.
9. Though the exercise of the responsibility is guided by diocesan policies, the signing of contracts with professionals to assist with the planning, design or execution of a Project lies with the pastor, both in his capacity as pastor and as president of the parish corporation. He is the signer of Project-related letters of hire and/or contracts; his signature binds the parish to their terms. Prior to his signature, all contracts entered into by the parish must be reviewed and found acceptable by the Diocese's umbrella insurance provider.
10. The construction contractor must provide a written agreement which specifies any extent to which the use of volunteer labor and donated materials will be permitted. If volunteers are to be a part of the project, the agreement must specify terms of engagement, responsibilities for coordination and supervision of volunteers, maintenance of quality control, and provision of insurance coverage. If the contractor will not provide insurance coverage for volunteers, the parish is responsible for providing the coverage.
11. Any contract for labor must comply with state and federal tax and/or employment laws. Given the Church's history of promoting workers' rights, special consideration may be given to the engagement of union labor; however the decision is reserved to the pastor in dialogue with the consultative bodies of the parish, which may want to take into consideration a particular union's political or moral affiliations.
12. Seventy-five percent (75%) of the funds needed for the Project must be on deposit or subject to promissory notes, and an approved payment plan for the Project must be in place before permission to proceed with the signing of construction contracts will be granted by the Bishop. Should an exception be made, it must be expressed in writing by the Bishop. Accounting for funds collected by the parish for the Project is to be conducted separately from accounting for the parish's normal operations.
13. All parties are bound by the requirements of the Code of Canon Law and diocesan policies regarding expenditures, alienation of property, and the signing of contracts.
14. Only by way of individual exception is permission granted for the sale of bonds, private or otherwise, on the part of the parish to secure funding of a Project. The procurement of legally secured loans from individuals, parishes, and institutions is permitted; documentation, supervision and satisfaction of all loan agreements must be demonstrated.
15. Formal acceptance of the Project and determination that the contract has in fact been satisfied is to be made by the pastor prior to the payment in full of the contract. In anticipation, 5% of the construction cost is to be retained until the Washington State lien period has expired.

Final payment for the Project is to be made **after** the HVAC balancing has been completed and accepted in writing and a set of "as-built" documents are filed with the Diocese's Moderator of the Curia, who is to receive assurance from the Diocesan Building Commission that those documents are accurate and complete. Copies of the "as-built" documents are to be kept in the diocesan archives and in the parish.

16. The parish's articles of incorporation stipulate that certain actions related to a Project must be taken by the corporation's Board of Directors (for example, the alienation, sale or purchase of property; obtaining loans; and the signing of contracts). Consistent with diocesan policy (#5.02.13), these actions are not additional steps in the decision-making process; rather, they are the civil dimension of decisions already reached by the pastor in consultation with the parish Pastoral and Finance Councils.

17. The pastor is responsible for maintaining a file of all major communications related to the Project.

PROJECT PROTOCOL

STEP ONE: THE CONCEPT

1. **Determination of need.** The pastor consults with parishioners and the major consultative bodies of the parish to determine the need for the Project and its financial feasibility (stability of parish finances, estimated cost of the Project, available resources, projected parish demographics, identification of potential body of donors, elements of any debt-reduction program, etc.).

2. **Presentation of concept.** Once need is determined, financial feasibility is assured, and substantial parish support is in evidence, the pastor submits a written Project proposal to the Bishop. The proposal's documentation must include:

- a) Explanation of need and scope of the Project (purpose, size, type of construction, location, etc.).
- b) Evidence of consultation with and support from parishioners and parish consultative bodies.
- c) General outline of the timeline and process by which the Project will move forward.
- d) Anticipated cost for the Project and a planned funding program.

3. **Bishop's determination.** After receiving recommendations from his advisors regarding the Project, the Bishop may:

- a) Grant permission to proceed to the next step; or
- b) Request additional information; or
- c) Convene a meeting of key individuals to review the proposal, identify incomplete or needed information, and/or to formulate terms of approval for proceeding to the next step.

STEP TWO: RESEARCH AND INITIAL PLANNING

1. **Further project development.** Given the Bishop's permission to proceed, the pastor assures the completion of these tasks, as appropriate to the Project, in dialogue with the consultative bodies of the parish:

- a) The securing of the services of an architect to provide design development which includes: site plan, floor plan, elevations, type of construction, energy features, photos of existing related buildings, and preliminary cost estimates. (A comparative value-engineering study related to cost of equipment and labor is most beneficial.)
- b) The conducting of a formal financial feasibility study and/or fund raising campaign.
- c) Refining the outline of the timeline and process by which the Project will move forward.
- d) Determining real costs related to the Project and refining details of its funding program.

STEP THREE: FORMAL PRESENTATION

1. **Formal presentation.** The pastor submits to the Bishop complete documentation for the proposed Project. The documentation includes:

- a) Schematic drawings and the associated site plan, floor plan, elevations, type of construction, energy features, photos of existing related buildings and preliminary cost estimates.
- b) Results of financial feasibility study.
- c) Budget for the Project (based on a **contractor's** estimates).
- d) Timeline for moving the project forward.

2. **Formal review.** The Bishop sends the schematic drawings and associated documents to the Diocesan Building Commission (and, as appropriate, the Diocesan Liturgical Commission) and his administrators for review, comment and recommendations.

- a.) The Diocesan Building Commission (and the Diocesan Liturgical Commission) schedules a review meeting with the pastor, the architect and other key individuals to discuss and refine details of the documents. Recommendations are communicated to the Bishop, who, in turn, communicates his response to the pastor.
- b.) The Bishop may find it beneficial to seek the assistance of his advisors in reviewing the financial feasibility of the Project.
- c.) After the completion of these tasks, the Bishop may:
 - i.) Request additional information; and/or
 - ii.) Grant permission, or conditional permission, to proceed to the next step of design development and fund raising.

STEP FOUR: FURTHER PLAN DEVELOPMENT - FUND RAISING

1. **Construction documents.** The architect completes construction documents, specifications (general and special conditions), and schedules (including doors, fixtures, hardware, finishes) for the Project. Once completed, the pastor gives these materials to the Diocesan Building Commission (and to the Diocesan Liturgical Commission, as appropriate) for review, comment and recommendations. At its discretion, the Commission(s) may schedule additional meetings with the pastor, the architect and other key individuals of its choosing. The recommendations of the Commission(s) are sent to the Bishop. The Bishop communicates his response to the pastor.

2. **Fund raising.** While construction documents are being prepared, the pastor oversees the fund-raising effort associated with the Project.

3. **Request to construct.** The pastor demonstrates to the Bishop's satisfaction that funding for the project is secured and/or that an achievable and approved funding plan are in place. Request to proceed with construction is made to the Bishop.

STEP FIVE: BID PROCESS

1. **Bid process.** After the Bishop has given written approval to proceed, the Project is put out to bid. The integrity of the bid process must be assured by the pastor. Copies of the bids are delivered to the Bishop. Priority of the pastor's choice of contractor is to be communicated to the Bishop.

2. **Bid review.** Bids are reviewed by the Bishop and the Diocesan Building Commission to assure that they are complete. Respecting the pastor's governance authority, unless special circumstances warrant otherwise, the Bishop grants only a "nihil obstat" ("nothing stands in the way") regarding the pastor's selection of a contractor.

STEP SIX: CONTRACT REVIEW – SIGNATURE

1. **Contract presented.** The selected contractor is to be advised of Diocesan Policy 5.03.04. The provisions of the contract must conform to this policy.

2. **Contract review.** The contract is submitted by the pastor to the Diocesan Fiscal Services Office which is responsible for facilitating its review and clearance by the Diocese's insurance carrier. (The umbrella insurance policy held by the Diocese requires that contracts entered into by an insured entity must be reviewed by insurance authorities before they may be signed.)

3. **Parish Board action.** As these decisions involve the temporal goods/patrimony owned civilly by the parish corporation, once clearance is granted by the bishop in consultation with the pastor and diocesan and parish consultative bodies, the pastor, as president of the civil corporation board, and the other board members vote at a formal meeting or by unanimous consent whether or not to accept the financial actions required for the project. This action is required for the construction contract's signature.

4. **Contract signed.** The pastor signs the construction contract; his action binds the parish to the satisfaction of the contract's terms. In the event of a contract dispute related to the fulfilling of its terms, any decision involving legal action requires the approval of the parish's Corporation Board.

STEP SEVEN: CONSTRUCTION

1. **Construction.** The pastor and the parish Building Committee oversee the execution of the construction contract.

2. **Change orders.** All change orders are reviewed and authorized by the pastor according to the process outlined in the contract specifications. The pastor keeps the Bishop apprised of any substantial change orders, particularly those which will increase the total construction cost.

3. **Payment schedule.** Since the parish remains solely responsible for the execution of the construction contract, the pastor is responsible for maintaining a current payment schedule. Payments are to be made as scheduled without any modifications.

4. **Progress reports.** The Bishop is to be kept informed vis-à-vis construction progress, even weekly if appropriate.

STEP EIGHT: FINAL ACCEPTANCE

1. **Formal acceptance.** Formal acceptance of the Project and determination that the contract has in fact been completed in accord with diocesan policy are made by the pastor prior to the final payment for the Project, which is done after the Washington State lien period has expired. (Normally, the owner advertises in a local paper that the Project was accepted and when the lien period for submittals will expire.)

2. **As-Builts.** A set of "as-built" documents are filed with the Diocese's Moderator of the Curia, who consults with the Diocesan Building Commission to assure that they are complete. The documents are preserved in the diocesan archives; a copy is to be kept at the parish.

STEP NINE: CELEBRATION

1. **Dedication/celebration.** A dedication and blessing of new facilities, particularly a church or expanded liturgical space, is scheduled in accordance with the Bishop's calendar.

REVISED POLICY APPROVED March 29, 2017

Most Reverend Thomas A. Daly
Bishop of Spokane