

CONTRACT REVIEW POLICY

As of July 1, 1993, Catholic Mutual Insurance requires all members of Catholic Umbrella Pool II (Cup II), of which the Dodge City Diocese 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. All land transactions must be approved by the Bishop.

The main propose of this review is to insure that the liability under the contract is assumed by the proper party, and in particular that the Diocese does not agree to any unnecessary hold harmless provisions.

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

1. All contracts for \$10,000 or more are to be approved by the Diocesan Risk Manager, Diocesan Attorney or a qualified individual at the Diocese before work can begin. All building, renovation, and/or capital improvements/repairs must be approved, in advance, by the Diocese.
2. All building lease agreements must be reviewed by the Diocese before execution.
3. All contractors and service people are required to carry three types of insurance (regardless of size of contract):
 - a. Public Liability
 - 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 as additional insured.
5. The attached standard contract developed for small construction jobs including renovations, small additions, etc. is to 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 should require professional liability insurance be provided to Diocese.

In some cases, it may be reasonable to vary the insurance requirement (consult Diocese) 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.

AGREEMENT BETWEEN OWNER AND CONTRACTOR

_____, hereinafter called the Owner, agrees to pay
_____, hereinafter called the Contractor, the sum of
_____ (_____) dollars for the following work:

Partial payment requests will be considered based on a maximum of 90% of materials on the job or in place and labor already accomplished.

The work shall be completed by _____, and the Contractor shall provide the following warranties or other documents prior to payment:

The Contractor shall begin the work within seven (7) days of the date of this contract unless other provisions have been made. He shall carry the work forward expeditiously with adequate, qualified workers and shall achieve substantial completion within the contract time.

Neither the final certificate of payment, nor any provisions in the contract, nor partial or entire use of the project by the Owner shall constitute an acceptance thereof if not in accordance with the contractor relieve the Contractor of liability in respect to any express warranties or faulty workmanship materials within a period of one year.

The Contractor shall indemnify and hold harmless the Owner, its agents, and employees from the against all claims, damages, losses, and expenses, including, but not limited to, attorneys' fees arising out of or resulting from the performance of the work, which is caused in whole or in part by the negligent act or omission of the contractor, any Subcontractor, or anyone directly or indirectly employed by any of them, regardless of whether or not it is caused in part by the Owner or by one of the Owner's employees or agents. In case any action is brought therefore against the Owner or any of its agents, employees, or Subcontractors, the Contractor shall assume full responsibility for the defense thereof; upon Contractor's failure to do so on proper notice, the Owner reserves the right to defend such action and to charge all costs thereof to the Contractor. The carrying of the insurance required herein shall not relieve Contractor of the duty of indemnity in the event that such insurance shall be inadequate, for any reason, to protect Owner in full.

The Contractor shall at all times carry the following insurance coverage:

- A. Worker's Compensation insurance on all his/her employees; he/she will also require all the Subcontractors to carry Worker's Compensation on all their employees. Contractor will indemnify the Owner against any claims made by any employees, Subcontractors, or anyone employed directly or indirectly by any of them. This indemnification is not limited to compensation paid under any Workers' Compensation policy.
- B. Public liability insurance, in an amount of not less than \$1,000,000 per occurrence. Such insurance shall include any and all Subcontractors and anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Said public liability insurance shall include claims for damages because of bodily injury, sickness or disease, or death of any person other than the contractor's employees, claims for damages insured by usual personal injury liability coverage which are sustained by any person as a result of an offense directly or indirectly related to the employment of such person by the Contractor or by any other person, and claims for damages, other than to the work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom.
- C. Automobile liability insurance, covering any and all kinds of motor vehicles, in an amount of not less than \$300,000 per occurrence. Such insurance shall include any and all claims for damages because of bodily injury or death of any person or property damage arising out of the Ownership, maintenance, or use of motor vehicle.

Each of the above listed policies will contain a requirement that, in the event of change or calculation, then (10) ten days' prior written notice will be sent by mail to the Owner. In addition, each policy will contain a provision waiving any right of subrogation against the Owner which might arise by reason of any payment under the policies.

The Contractor shall provide Owner with bonds covering faithful performance of the contract and payment of obligations arising thereunder. The amount of each bond shall be equal to 100% of the contract sum. Said bond must be executed by a company authorized to do business in the state of Kansas. The bond will be given to the Owner prior to any work being stated.

The Contractor will present a list of all the Subcontractors prior to beginning construction. At the conclusion of the job, the Contractor will provide lien waivers from his/her company and from each of the Subcontractors. If any Subcontractor refuses to sign the lien waiver, then the Contractor will provide an invoice from the Subcontractor. This invoice must show that it is the total balance owned on the job and be signed by both the Contractor and the Subcontractor. The Owner will then issue a check payable jointly to the Contractor and the Subcontractor and deduct the amount from the balance owned to the Contractor.

The Contractor shall be responsible for initiating, maintaining, planning, and supervising all safety precautions and programs in connection with the work.

The Contractor will not discriminate against any employee, applicant for employment, or Subcontractor because of race, creed, color, sex, handicap, or national origin.

If the Contractor is adjudged a bankrupt, or if he makes a general assignment for the benefit of his creditors, or if a receiver is appointed on account of his insolvency, or if he persistently or

