

CATHOLIC DIOCESE

OF

**SALINA**

PROJECT REQUIREMENTS

AND

CONTRACT REVIEW

POLICY

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## **I. PURPOSE**

The purpose of the contract review policy is to limit or reduce the liability exposure each parish faces in the repair, renovation, construction, lease, sale or purchase of property. Some policies are directed to only parishes and others to schools specifically. Also, most policies involve parish or school proposals. In order to limit or reduce as much as possible our liabilities in these areas, the Diocese has adopted a contract review policy to be followed by all members of the Diocese of Salina.

This booklet will outline the procedure each parish must follow in the repair, renovation, construction, lease, sale or purchase of property. By following the procedures as outlined in this booklet, each parish will leave a lasting legacy to the next generation and protect their assets to the extent permitted by law.

These procedures ensure 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".

## **II. PROLOGUE**

All property is legally owned by the Catholic Diocese of Salina and held for the benefit of the appropriate Public Juridic Person. Except as permitted by this booklet, no repair, renovation, construction, lease, sale or purchase may be undertaken without the written approval of the Bishop of Salina.

Each project should strive to blend the collective wisdom of the Diocesan Church and the creativity of the local parish community or institution. Each project necessarily involves a balancing of our dreams and our resources, needs and wishes. They require prayer, wisdom and cooperation. Each project requires time and research.

The Diocesan Art and Architecture Committee, the Diocesan Finance Office (the "DFO") and the Diocesan legal counsel are at the service of each parish community and institution. Their expertise can save countless hours and thousands of dollars in your renovation or building project. Their involvement in the earlier stages of your dreaming and planning is essential to good stewardship.

### III. PROCEDURES

The following procedures will be followed by all Diocesan entities:

2. All contracts for \$20,000 or more will be reviewed by the DFO and approved by the Bishop.
3. All long-term lease agreements must be reviewed by the DFO and approved by the Bishop. The Catholic Mutual Addendum to Lease must be attached to all long-term lease agreements and the wording is to be incorporated into the lease.
4. All contractors and service people are required to carry three types of insurance (*regardless of the size of the contract*). The three types of insurance are:
  - a. General Liability - \$2,000,000 per occurrence
  - b. Workers' Compensation - As required by law
  - c. Automobile Liability - \$2,000,000 per occurrence

(\$2M of insurance limits is recommended. In some cases, it may be reasonable to vary the insurance requirements by the type of work done by the contractor . These amounts may be changed or updated as needed per specifications provided by our risk insurance carrier.)
5. Certificates of Insurance **MUST** be obtained verifying the above types of insurance and **naming the parish/institution and the Diocese as an additional insured.** (See example in the **Frequently Used Forms tab**)
6. A standard contract, AGREEMENT BETWEEN OWNER AND CONTRACTOR (See pages 3 to 5) is to be used for small construction jobs including renovations, small additions, etc. This avoids using different contracts for each contractor.
7. Professional service contracts, ( architects, engineers, liturgical consultants...), are to be used when contracting for the services of architects and engineers. Contracts need to require professional liability insurance to be provided to the parish/institution.
8. The AGREEMENT BETWEEN PARISH AND CONTRACTOR (See pages 3 to 5) may be used on jobs that involve less than \$20,000. If the Contractor does not want to use this contract, the contract will have to be reviewed as stated in (1) above.
9. Small routine maintenance jobs do not require the use of contracts.
10. All contracts and certificates of insurance must be maintained by the parish in a central file specifically to monitor that the certificates are up to date.
11. All contracts over \$100,000 must include a performance bond.

**"DRAFT"**

(See page 2, #5)

**AGREEMENT BETWEEN OWNER AND CONTRACTOR**

\_\_\_\_\_, hereinafter called the Owner, agrees to pay  
Parish/Institution (understood to include the Diocese of Salina)

\_\_\_\_\_, 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 contract or 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 (the parish/school, the Diocese of Salina its agents, and employees) from and 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. In case any action is brought therefore against the Owner or any of its agents, employees, 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 the Contractor of the duty of indemnity in the event that such insurance shall be inadequate, for any reason, to protect the Owner in full.

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

- A. Workers' Compensation insurance on all his/her employees; he/she will also require all the Subcontractors to carry Workers' 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 \$2,000,000 per occurrence. Such insurance shall include the Owner, all Subcontractors and anyone directly or indirectly employed by any of them or by anyone 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 work itself, because of injury to or destruction of tangible property, including loss of use resulting there from.
- C. Automobile liability insurance covering any and all kinds of motor vehicles in an amount of not less than \$2,000,000 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 a motor vehicle.

Each of the above listed policies will contain a requirement that, in the event of change or cancellation, ten (10) days' prior written notice will be sent by mail to the Owner. Additionally, 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 started.

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, than the Contractor will provide an invoice from the Subcontractor. This invoice must show that it is the total balance owed 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 owed to the Contractor.

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

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

If the Contractor:

- is adjudged a bankrupt;
- makes a general assignment for the benefit of his creditors;
- has a receiver appointed on account of his insolvency;
- persistently or repeatedly refuses or fails, except in cases for which extension of time is provided to supply enough properly skilled workers or proper materials;
- fails to make prompt payment to Subcontractors or for materials or labor;
- persistently disregards laws, ordinances, rules, regulations or orders of any public authority having jurisdiction;
- or otherwise is guilty of a substantial violation of a provision of the Contract documents,

then the Owner may, without prejudice to any right or remedy, and after giving the Contractor and his surety, if any, seven days' written notice, terminate the employment of the Contractor and the contract will be deemed null and void.

Miscellaneous Provisions:

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Owner	Date	Contractor	Date
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## IV. PURCHASE, SALE AND LEASE OF PROPERTY

### A. Permission

No real property may be sold, purchased, encumbered or received as a gift without the written permission of the Bishop. In all property acquisitions, however acquired, the Diocesan Legal Counsel will be consulted and a decision will be made whether a Phase I environmental study is required before acceptance or acquisition.

### B. Purchase of Property

When any real property is purchased, the following procedure shall be followed after the written approval of the Bishop is obtained.

(1) Normally, two (2) written independent appraisals must be obtained to determine the purchase price for the property. This requirement may be waived with the written permission of the Bishop or his designed representative under certain circumstances.

(2) All purchase of real property must be evidenced by a formal written contract signed by all parties to the transaction. Only the Bishop or Vicar General and DFO may execute contracts on behalf of the Catholic Diocese of Salina.

(3) All contracts for the purchase of real property must be prepared by or reviewed by the Diocesan legal counsel prior to signing. The Diocesan legal counsel must approve title to the transaction prior to closing and approve the deed of conveyance.

- If the contract is for the purchase of a structure, the contract must be contingent on an inspection to identify the asbestos and or lead if present. The inspection report is to review the heating, air-conditioning and plumbing systems, and the condition of the roof. In addition, a termite report should be obtained and treatment made by the Seller prior to closing, if infestation is present.

### C. Acquisition of property by Gift

No real property will be accepted as a gift without a prior investigation of the condition of the property and written approval of acceptance by the Bishop or his designated representative for the Diocese and the prior written approval of the title to the property by the Diocesan legal counsel. The real property being gifted must be conveyed by a general Warranty Deed which must be approved by the Diocesan legal counsel prior to delivery.

### D. Acquisition of Property by Inheritance

Upon notification of the conveyance of property by will or otherwise, the local pastor shall notify the Bishop and, if needed, the Diocesan legal counsel shall enter his appearance in the probate proceedings on behalf of the Diocese of Salina.

#### E. Sale of Property

Real property may not be sold, pledged, conveyed or encumbered in any way or form without , t the prior written approval of the Bishop:

(1) Normally, two (2) written independent appraisals must be obtained to determine the correct sales price for the property. This requirement may be waived with the written permission of the Bishop or his designated representative under certain circumstances.

(2) All sales of real property must be evidenced by a formal written contract signed by all parties to the transaction. Only the Bishop may execute contracts involving property on behalf of the Catholic Diocese of Salina.

(3) All contracts for the sale of real property must be prepared or reviewed by the Diocesan legal counsel prior to being offered. The Diocesan legal counsel will prepare an appropriate deed to complete the transaction.

#### F. Legal Title

Whether in the purchase or sale of any property, legal title should always be made to the "Catholic Diocese of Salina in Kansas under Declaration of Trust, dated September 12, 1966". For complete information, contact the DFO.

#### G. Insurance

In keeping with the purchase or sale, insurance should either begin on the date the title is acquired OR be terminated on the date the title is conveyed.

#### H. Lease Agreements

All building lease agreements must be approved by the DFO and the Bishop and reviewed by Diocesan legal counsel.

### **V. MINOR IMPROVEMENTS**

Minor improvements are those projects that fall under the category of routine upkeep. They would include such projects as re-paving, re-roofing, painting, repair or service of heating, air-conditioning or plumbing, new furnishing and general repairs. This list is not all inclusive. Project elements may not be disaggregated into elements to avoid these limits.

Any project which is in the excess of \$20,000 requires the written permission of the Bishop before proceeding. The Bishop or his designee must sign the contract before proceeding.

Any project which is less than \$20,000 does not require the written permission of the Bishop.

#### A. Request for Permission

The request for permission to proceed must be made in writing and signed by members of the Parish Pastoral Council and Parish Finance Council. Notation is to be made of any abstaining or dissenting opinions.

#### B. Contracts

Normally, a standard contract form is satisfactory for minor improvements. A copy of the unsigned contract must accompany the request for permission from the Bishop to proceed .

#### C. Payments to the Contractor

The contract shall clearly set forth the schedule of payment to the Contractor. Final payment should not be made until the completion of the work and acceptance by the Owner with assurances of no possible liens being placed on the property.

#### D. Builder's Risk

Builder's risk insurance is automatically provided by the Owner for the first six months regardless of the amount. (In our Diocese, this comes from Catholic Mutual.) A Certificate of Coverage will be provided to the Contractor, if requested.

#### E. Unsatisfactory Work

Pastors are requested to inform the DFO of incomplete or unsatisfactory work by any Contractor.

### **VI. THE PROCESS FOR MAJOR IMPROVEMENTS, RENOVATIONS, NEW STRUCTURES AND ADDITIONS**

(Checklist for major improvements, renovations, new structures and additions on page 23)

#### A. The Parish Building Committee

As part of the Parish Pastoral Council structure , each parish should have a Building Committee. In addition to monitoring the routine maintenance of all facilities, this group needs to project the life expectancy of each structure. This Committee should offer the Pastor and Pastoral Council and Finance Council sound advice on how much money needs to be set aside each year for capital improvements.

The Building Committee works in an advisory role to the Pastor and the Parish Pastoral Council. The membership should include people with special expertise in the construction and maintenance trades.

When renovation or new structure is anticipated, the membership of the Building Committee might be expanded to include people with particular expertise in that area.

The Building Committee should develop a site plan of the existing parish plant. A site plan can provide valuable information about spatial relationships and utilization of present space.

B. Raising the Issue, dreaming, identifying needs, planning for the future.

This is a preliminary stage involving internal discussion with the parish community.

When the Pastor, Pastoral Council and Parish Building Committee see that their present parish needs have outgrown existing space or major renovations are needed, the discussion begins about what is required to meet the perceived needs of the people. Several questions are critical at this stage:

- (1) Is the perceived need for this space important to the mission of the Church and this parish?
- (2) Could this group or function be accommodated within the present parish space?
- (3) If the present structures do not presently accommodate this function, could something be renovated for multipurpose use to serve the perceived need?
- (4) How often and how many of the people would this change serve?
- (5) Where does the proposed change fit in the scale of total parish priorities?
- (6) What are the parish financial constraints?
- (7) Does the parish's future growth justify major expenditures at this time?
- (8) Does this project meet the projected needs of the parish in the future?

New construction should not be seen as the first or only solution. Architects tell us that we are entering an era of retrofitting, making existing space useful once again or repurposing space. We already own existing space and it needs to be heated/cooled, insured and maintained. .

If the Pastor and Pastoral Council (having consulted the Parish Financial Council and the Parish Building and Facilities Committee) conclude that major renovation, an addition, or new construction is necessary, a meeting should be scheduled with the Art and Architecture Committee.

### C. The Initial Meeting of Parish and Diocese

Representatives of the Diocesan Arts and Architecture Committee will meet with the parish leadership and project team.. The purpose of this initial meeting is to familiarize one another with the parish needs and the Diocesan building process.

In preparation for this meeting, the parish representatives should bring:

- (1) A written description of the parish needs;
- (2) A site plan of all parish facilities;
- (3) A Financial Analysis of the parish; the Pastor would normally ask the Parish Finance Committee to prepare this analysis.

DFO and the Art and Architecture Committee will:

- (1) Review the research, fund-raising, design and legal steps needed;
- (2) Remind the parish leadership of the Diocesan guidelines on the liturgical aspects of a project;
- (3) Suggest other parishes that might be worth visiting for ideas;
- (4) Discuss the fund-raising potential and approach of the parish;
- (5) Suggest use of an architectural consultant.

### D. Bishop's Permission to Proceed

The recommendations of the Art and Architecture Committee and the Diocesan representatives will be presented to the Bishop. If the Bishop thinks the project is necessary and possible, he will give permission to proceed with formal research and planning.

### E. Parish Research

After the Bishop has given permission to investigate, the parish begins the careful process of choices. Depending on the nature of the project (i.e. church renovation/building, education space, social space, office space, rectory, etc.), the Pastor and Parish Building Committee should:

- (1) Visit other parishes that have successfully completed a similar project. Such visit might extend to neighboring Dioceses. A camera would be a useful tool to take along. It is good to observe not only what they did well, but to ask, "What does not work well with this new facility? What would you change or improve?"
- (2) Study the demographics of the parish. How large should this space be for the next 20 years?
- (3) If it is a church under consideration, obtain multiple copies of the Constitution on the Sacred Liturgy and Environment and Art in Catholic Worship. These documents need to be studied, discussed and understood before putting lines on paper.
- (4) If the size of the project should warrant it; hire an architectural consultant.

#### F. The Architectural Consultant

Hiring an architectural consultant is an important phase to bring reality to our dreams and wishes. This is not a contract to design a new facility or draw blueprints for renovation.

The consultant's role is to listen to the parish's needs, goals and preliminary thinking. The consultant studies the present parish plant. The consultant gives the parish 10-20 hours of service with a view to recommending:

- (1) Size of the building project to adequately meet the parish need.
- (2) Estimated cost of such a project.
- (3) Timetable for such a project.
- (4) Other possibilities to be considered (e.g. location, retrofitting, demolition).

In hiring this architectural consultant, the parish should make clear that this is a temporary service. The parish should avoid any implication that this architect will get the design contract. This is a time for the parish to test the competence and the chemistry of the architectural consultant.

The architectural consultant should be chosen for that person's competence in this particular area of design.

The architectural consultant will supply a written analysis of the project's feasibility, scope, cost and recommendations to the Pastor and Parish Building Committee.

#### G. Parish Education

Now comes the greater challenge. Whereas the parish leadership may have answered many questions, the parish at large may still be wondering or speculating about the project..

The goal in consulting with the parish is to be transparent and to elicit broad ownership, enthusiasm for the project and increase the potential for contributions. Communication and lots of education about the needs and plans is important before moving on to the design stage. The Pastor and appropriate committees need to present to the parishioners the need, the proposal and the costs and gain their support.

At this stage, the Pastor and Parish Pastoral Council might decide which other parish groups will be important for communicating the vision and the project. This might include the School Board, the Liturgy Committee, the Finance Committee, a Communications Committee, etc. Each of these groups may need a time for explanation, questions and answers, all forms of consultation.

#### H. Financial Planning

Before hiring a design architect, the Pastor and Parish Finance Council must develop a financial plan. The parish should plan to have half (50%) of the funds in hand before construction begins. The Parish Finance Council should maintain continuous communication with the building team and update the financial plan as building plans evolve. The financial plan should be fluid and consider options and possibilities. .

Concurrent with the work of the Building Committee, the Pastor and Finance Council will devise a fund raising plan. If the entire cost comes from savings, it is simple. But, if new funds must be generated, then a decision must be made whether to build on stewardship or have a capital fund drive conducted within the spirit of stewardship and the possible need for debt financing.

Before entering into a contract with the architect, the pastor and parish representatives will present a "Permission for Expenditure Form" to the Bishop (c.f. Index of Forms, page 9).

#### I. The Bishop's Permission to Proceed

After receiving the Permission for Expenditure Form from the Pastor and Parish Councils, the DFO and the Bishop will review the progress to date and the project financial plan including the level of indebtedness that is anticipated. If the project still

looks prudent, the Bishop will give written permission to proceed to the next phase of planning..



## J. Selection of the Architect and Consultants

Most projects require the services of several specialists. In addition to the architect, the nature of the project may call for other consultants (e.g. liturgical consultant, interior decorator, educational consultant). The parish may wish to choose these consultants separately rather than using one architectural firm for all advice. It is the primary architect's responsibility to coordinate with these consultants. Such an understanding should be part of the selection process.

The architect should be chosen for their specialty. The Pastor and parish leadership might use a presentation and selection process to determine whether the architect has the desired competence, experience, capacity and personal qualities to work well together during the project. This presentation and selection process should focus on the architect's skills, areas of special competence and training, photos of past projects and references.

The parish leadership should not ask the competing architects to present a visualization of what your project might look like. If such a request is made, the parish might be surprised when a bill for services is presented. Architects do not charge for the presentation and selection process unless the Owner specifically requests schematic drawings. If the architect chooses to do drawings on his or her own initiative, the parish is not financially liable.

The Pastor should make it clear to the architect and other consultants that the parish is bound by the legal requirements in Section VIII, page 18, of this booklet.

## K. The Architect's Contract

(For additional contract information - refer to **Frequently Used Forms tab** in this binder)

This is often the first phase of a typical building project. But as you notice, this is far down the list of steps for major renovations or new construction within the Diocese.

At this step, the parish already has a great deal of information. The parish has determined its needs, the size of the project, the projected financial cost that can be funded .. Certain expectations are already out there among the people and widely supported.

All the information about the site plan, the multiple purposes of the facility, the budgetary constraints, liturgical thinking, Diocesan regulations and the sense of the

people should be consolidated by the parish building committee or project building committee in a clearly prepared presentation.

If the parish leadership is satisfied concerning the competence of the architect and if the architect agrees to work within the parameters of cost and space set by the parish, an agreement between the Owner and the architect shall be developed. Should changes or additions be deemed necessary because of special circumstances, such changes or additions shall be embodied in the contract. The agreement shall be signed by the Bishop or his delegate. If it is a parish project, the contract shall also be reviewed and approved by the Pastor.

#### L. Schematic Design Phase

A dialogue continues until all parties are satisfied that the design will meet the needs within the proposed budget, will be useful, efficient and beautiful.

Each Pastor and project team has particular tastes, ideas and personality, but the parish must think in multi-generational terms. Will this renovation or new construction be suitable for the next Pastor? The next generation of parishioners? It would be wise at this stage for the Pastor and design team to invite others (priests, consultants, Diocesan representatives) to comment upon the proposed sketches.

#### M. Dialogue with the Diocesan Art and Architecture Committee

The dialogue continues with the broader church family and the DFO. The Pastor, architectural team and representatives of the parish leadership may need to meet a second time with the Art and Architecture Committee.

At this second meeting the parish will begin by explaining the evolution of research, education and design since that first preliminary meeting at which basic needs and feasibility were discussed.

Someone from the parish project team will present the schematic drawings and preliminary blueprints. They will explain how this proposed structure blends with the parish's needs, the present parish plant and its immediate and long-term costs. This presentation would include aesthetic considerations that led to this particular design.

Thereafter, a discussion will follow. Members of the Diocesan Art and Architecture Committee might ask further questions for clarification. They might make suggestions based upon experiences with other parishes. They will attempt to respect local creativity, balancing local tastes with the general thinking of the Church.

The Art and Architecture Committee will make a recommendation to the Bishop for approval of the basic design.

#### N. Design Development

The parish project team shall then draw the detailed design of all aspects of the construction. No major changes may be made in the approved preliminary drawings without the consent of the DFO. An important feature of the many decisions made during this phase is to stay as true as possible to the consensus established in the above steps.

#### O. Parish and Diocesan Review

The architect will provide the Pastor and the DFO a set of detailed plans. The architect will adhere to local building codes. If no local codes exist, nationally recognized building codes will be followed. The parish and Diocesan leadership will need time to study the plans in detail, asking questions for clarification and understanding. The DFO has the discretion of calling another meeting with the parish leadership. This parish and Diocesan review should determine with certainty that what is planned is what the parish decided in the design development phase.

The other consultants (liturgical, interior decorating, educational, etc.) should also be satisfied that the architectural blueprints and schematics reflect what they had in mind.

On some occasions, a recent land survey may be necessary. Also, with renovation projects, the requirements of the Kansas State Fire Marshal must be adhered to.

When all are satisfied with the final plans, the Bishop will give approval for the Bidding and Building Contract phase.

(Checklist for major improvements, renovations, new structures and additions on page 23)

#### P. Bidding and Negotiation

The plans will be submitted for bidding only to reputable, qualified builders. Competitive bids will be solicited from the various trades and suppliers involved in the project. "ADD alternates" are preferred to "Deduct alternates". These items should be prioritized in the bidding process, thus disallowing random selection of alternates.

Formalizing the bids with contracts and within the budget may require a great deal of time and effort. A high overall bid (above 10%) can delay or reverse a project. Depending on how serious a reversal is warranted, one or several of the previous steps may have to be redone. While this may be difficult to accept, it is better than the alternative of proceeding with an unworkable budget.

Before any construction contracts are signed, two further steps are necessary:

- (1) If the original cost estimates exceed earlier projections by more than 10% or \$50,000 (whichever is the lesser), the Pastor and members of the Parish Finance Council need to meet with representatives of the DFO to review the success of the project thus far.
- (2) Contracts may need to be reviewed by legal counsel. (See Section VIII, page 18, "Diocesan Regulations and Legal Requirements").

For additional contract information, review Catholic Mutual's *Addendum to Construction Contract and Needed Deletions to Various Contracts* located in the **Frequently Used Forms tab** in this binder.

After all the design, financial and legal requirements are fulfilled, the Bishop or his delegate will sign the contracts.

#### Q. Construction

A skilled representative of the parish project team should regularly observe construction and consult with the builders and architect. This may also be done by the architect with a scheduled fee. Suggestions and corrections should be channeled only through the pastor, and this designated representative.

#### R. Rite of Dedication: Occupancy of Building

At this step, the parish and all who have worked on the project celebrate the rite of dedication or blessing with the Bishop presiding. A wonderful opportunity for catechesis exists in this moment on what it means to be church, an edifice of living stones. It is a god time to promote the time, talent and treasure that came together here.

#### S. Occupancy Warranty Period

The first year of occupancy is sometimes referred to as the warranty period . This is a time to resolve any difficulties or deficiencies in the renovation or construction. No matter how good the Contractors, there will be deficiencies. At this stage, the Diocese's involvement is minimal unless significant post-construction problems require extra attention. If such problems cannot be resolved locally, please call the DFO.

### VII. CHURCH SANCTUARY AND CHURCH INTERIOR

No change in sanctuary structure or notable alternations in any church interior regardless of cost may be made without being reviewed by the Diocesan Liturgy Director and the permission of the Bishop.

### A. Minor Renovations

Even if the church renovation is minor in terms of cost and time, the Pastor must consult the Parish Buildings Committee and the Parish Liturgy Committee if one exists.

Together these groups should study and understand the Constitution on the Sacred Liturgy and Environment and Art in Catholic Worship. Educated and Enlightened Committee members will be the best educators of fellow parishioners.

Before removing anything or purchasing new materials, the Pastor should consult with the Bishop or the Diocesan Liturgy Director . Their verbal permission is adequate to proceed.

If new objects are purchased or crafted, the greatest care must be taken that:

- (1) These are truly objects worthy of the liturgical space and our Catholic worship.
- (2) These objects blend and balance with the existing structure.
- (3) These objects have lasting beauty.
- (4) The worship space remains accessible to the physically impaired.

Some educational effort may be in order even for minor changes and alternations.

### B. Major Renovations

The process outlined above in Chapter V, "the Process for Major Improvements, Renovations, New Structures and Additions", must be followed with care before major renovations to any Church sanctuary or interior space. Such major renovations are those costing more than \$20,000.

The parish's liturgy or worship committee will also be involved, in addition to the groups mentioned in Chapter V of this document.

### C. Acoustics

The spoken and sung work is a large part of our Catholic worship. All parishes are encouraged to be very attentive to their sound system in church.

Our common experience tells us that the design and installation of an effective sound system requires specialized talent. The supplier is not the same as an acoustical consultant. Church acoustics is entirely different from designing a home stereo system.

The sound system must serve both the spoken and sung word. The characteristics of the Church's shape and space must be carefully studied and customized. When it comes to sound, each building has its own personality.

Before a parish invests in a new sound system, some research is necessary. Which firms know our liturgical demands? Do the firms being considered have experience with Church acoustics? If so, contact the references and speak to the pastor about his level of satisfaction now that the system functions.

The sound system should be so good that even a child's voice can be heard comfortably. This is not a recommendation regarding children in liturgy; merely a suggestion regarding the system's quality. The rich language of the liturgy, delivered with clarity will help draw those in attendance to greater attention and participation.

When making other alterations to the Church interior, the effect upon acoustics must be considered. Will full carpeting deaden congregation singing? Will padded seating require changes in the sound system? Beware of the potential impact of acoustical ceiling materials.

Everything said above about renovations to the church interior applies as well to new Church construction. The Church interior is not an auditorium or theater. The space needs to add acoustical life to music and singing and proclamation.

#### D. Discarded Materials

When items in the Church are replaced, they may be useful to another parish community. If they are in good condition and have artistic value, their availability may be communicated to the other parishes.

### VIII. **DIOCESAN REGULATIONS AND LEGAL REQUIREMENTS**

The following regulations and legal requirements apply to all major renovations, new construction and building additions. Any improvement in excess of \$20,000 requires the permission of the Bishop. Any liturgical improvements require consultation with the Diocesan Director of Liturgy.

#### A. The Architect's Contract

The parish should ask that each competing architect complete AIA "Statement of Qualifications" form.

If the parish leadership is satisfied with the qualifications of the architect and if the architect agrees to work within the parameters of cost and space set by the parish, then an agreement between the owner and the architect shall be drawn. The form for this agreement shall be the AIA Standard Form. Should changes or additions be deemed necessary because of special circumstances, such changes or additions shall be embodied in the contract.

The agreement shall be signed by the Bishop and if a parochial project, also by the Pastor.

B. Requirements of the Architect

- (1) The architect shall be informed of the budget limit set for the project and shall be expected to work within this budget limit. If the lowest bid does not approximate the budget limit, the architect will not be deemed to have fulfilled his/her contract. In such case, the architect shall be given the option of revising the plans, without any additional cost to the Owner in order to approximate the budget limit or accepting 25% of the architect's fee Committee based on the budget limit as total compensation. Any revisions must be acceptable to the parish and DFO
- (2) Errors and omissions insurance on projects of \$250,000 or more is required of all architects.
- (3) All architects shall have comprehensive liability insurance of \$1,000,000 and vehicle liability and damage insurance of \$1,000,000.
- (4) A topographical survey with boring tests shall be part of the plans of every new building with the expense borne by the Owner.
- (5) A complete plot plan showing the location of all existing and future buildings shall be submitted by the architect along with the initial sketches in the schematic design phase.
- (6) The architect will indicate rights, restrictions, easements, boundaries and contours of the building site. Full information shall be given about sewers, water, gas and electric services.
- (7) In the architectural consultant's report, cost estimates may be made on square and cubic footage. In the design development phase, cost estimates must include material, labor and line-item costs. Material and labor costs should be checked with representative contractors relative to the type of work being estimated.
- (8) One complete set of plans and specifications, along with a copy of the architect and engineering estimate of costs, must be submitted to the DFO and another to the Pastor before they are made available to bidders.

- (9) One copy of each addendum should be sent to the DFO.
- (10) Restrictive specifications are not to be written by the architect. Performance type specifications shall take precedence and two types of specific materials be named acceptable.

#### C. Bids

All contracts for general construction, plumbing, heating, air-conditioning, ventilation and electrical work for the construction of all new buildings and major improvements shall be awarded on a bid basis. Bid bonds are required on all projects over \$100,000. These bonds are to be in an amount not less than five percent (5%) of the sum total of the base bid.

#### D. Opening Bids

The architect shall consult with the Pastor in regard to the place, date and hour for the opening of bids.

#### E. Alternates

Acceptance or rejection of alternates, including optional alternates, will be made by the Pastor and parish leadership. If after the acceptance or rejection of alternates, identical or tie bids are received, contracts will be awarded at the discretion of the Pastor in consultation with the parish project team. Alternates shall generally be listed as ADD alternates rather than DEDUCT alternates. These items should be prioritized in the bidding process, thus disallowing random selection of alternates.

#### F. Results of Bids

The architect shall notify general or subcontractors of the results of the bidding. IMMEDIATELY after selection by the Pastor and parish representatives, the architect will assist in the preparation of the necessary contract documents.

#### G. Construction Contracts

Contracts for general construction, mechanical and electrical work shall be drawn between the Diocese of Salina and signed by the Bishop as owner, and the contractor, stating whether the contractor is an individual, a partnership or a corporation. At least three copies of each contract must be signed.

Contracts will not be signed by the Bishop until the following have been received by the DFO:

- (1) A performance bond by an acceptable bonding company.
- (2) A certificate of liability, workers' compensation and vehicle insurance,



\$2,000,000 per incident. The Catholic Diocese of Salina and the parish must be named as additional insured.

And any other paperwork as required by the Diocese in consideration of requirements of its risk insurance provider, including the Contract Addendum.

(3) A schedule of anticipated monthly payments to Contractors.

(4) Construction schedule.

These materials will be presented to the DFO as a packet rather than piecemeal. All contracts may need to be reviewed by diocesan legal counsel before signing.

#### H. Performance Bond

It is the responsibility of the Pastor together with the parish Pastoral Council and Finance Council to satisfy themselves regarding the Contractor's ability to perform. All major improvements or construction of \$100,000 require a performance and payment bond. Smaller projects may require a performance bond depending on the parish's ability to assume such risk. The Pastor together with the parish council shall make a recommendation to the Bishop whether a performance bond is warranted for contracts of less than \$100,000.

#### I. Builders' Risk Insurance

Builders' risk insurance must be arranged by the Pastor with the Diocesan insurance group at the time the general contract is signed. The beginning and completion date should be indicated. This coverage is to be provided by the Diocese, never by the Contractor. A certificate of coverage will be provided to the Contractor if requested. Builders' risk insurance shall be replaced with complete coverage insurance when the permanent doors and windows have been placed. It is to the advantage of the parish to replace with permanent coverage as soon as possible; permanent coverage is less expensive.

#### J. Change Orders

If a change order will add more than \$3,000 to the total project cost, the architect must write submit the change order to the DFO for approval. The nature of the change and the addition to the contract price must be indicated.

#### K. Payments to Contractors

Architects are requested to forward certificates for payment to the Pastor before the fifth of the month. This certificate for payment is the Contractor's report indicating the total amount of his contract by major items and the percentage of work completed to date and the amount due by the month. The architect's report on the progress of the work is to be given to the Pastor. . The Pastor shall add his own comments on the status of the work to the architect's progress report. Payments shall be made to the Contractor only upon the approval of the architect, normally ten days after receipt of billing. Ten percent (10%) of the amount due each month shall be withheld until completion of the work and acceptance of the building by the Pastor, and the architect. The architect is responsible to collect lien waivers as contractor payments are approved.

#### L. Lien Waivers

After completion of any post construction/"punch list" items the architect shall deliver final waivers of lien and guarantee to the Pastor with the final certificate of payment.

#### M. Completion Notice

When a building or major renovation project is completed, the architect will notify the DFO With this completion notice, the architect should send to the DFO and the Pastor a resume of the cost of the building, that is, the original contract price plus all approved changes and architect's fees, thereby giving the total cost of the completed structure.

A set of plans and specifications of the project "as built" must be sent to the parish and the DFO. The "as built" drawings are to be provided to the DFO in electronic format.

#### N. Unsatisfactory Work by Contractors

Final payment should not be made until all work is complete.

#### O. Final Inspection

Approximately 11 months after the completion of a major renovation or construction project, the architect shall consult with the Pastor and the Parish Building Committee and make a complete inspection of the building. (See Chapter V, "Warranty Period"). After this inspection, the architect shall make a written request to the Contractor to correct any defects in material or workmanship covered by the one-year warranty. A copy of the list of items to be corrected is to be sent to the Pastor and the DFO .

#### O. Project Finance Tracking and Reporting

Project finances are to be tracked and monitored. The project finances including all revenue and expenses are to be reported to the parish finance council during throughout the project and included in the parish financial statements and reported in the Annual Report to the Diocese..

The project finances may be tracked in Excel in order that the various elements of funding and expenses can be budgeted, tracked and monitored separately. The project finances need to be compared to the parish funding plan developed as part of the approval process to keep project finances on budget.

Transparency in church finances is critical to maintain At a minimum, once the project is completed, the final project finances, (income, expense, existing savings used and any debt) are to be reported to the parish.

