

DIOCESAN GUIDELINES FOR THE BUILDING AND LOAN COMMITTEE OF THE DIOCESE OF THUNDER BAY

PURPOSE:

1. The Function of the Diocesan Building and Loan Committee is to study proposals for the construction of new buildings, the restoration or renovation of existing buildings, major maintenance projects, the sale of surplus property holdings and the purchase of new properties with a view to making recommendations to the Bishop who is ultimately responsible for the physical facilities and the liturgical appointments which serve the needs of our parish communities.
2. In the case of a new church or the renovation of an existing one, the objective of the Committee is to assist the parish in achieving a result which will serve its worship and devotional needs, be in accord with liturgical norms and reflect dignity and good taste. Further information re specific guidelines, procedures and process are to be made available to pastors and parishes upon request.
3. In a spirit of solidarity and charity, excess parish funds deposited with the Diocese are available for those parishes requiring financial assistance for capital expenditures. (It is understood that the monies deposited with the Diocese would always be available for the approved capital project and operational needs of the parish from which it is received). The current interest paid on deposits and the interest charged on loans are to be reviewed and adjusted annually by the Diocesan Finance Council. When a particular parish requests financial assistance by way of a loan in order to initiate and complete a capital expenditure project, the Diocesan Building and Loan Committee is to study the request from the point of view of: 1) the appropriateness, and cost of the proposed project given the needs of the individual parish as well as those of the Diocese as a whole, and 2) from the point of view of the estimated cost of the proposed project including the terms of repayment of any debt to be incurred. The Committee will forward a recommendation to the Bishop for consideration in the decision he will make.

MEMBERSHIP

1. The Vicar General and members of the College of Consultors are the members of the Diocesan Building and Loan Committee. In order to meet its responsibilities, the Committee may request the service of professional people (e.g. architect, engineer) on an "ad hoc" basis.

MEETINGS:

1. Meetings normally will be held at the Consultors Meeting and at such other times as deemed necessary by the Bishop.

IDENTIFICATION OF NEED AND APPROVAL PROCESS:

1. The parish priest, in consultation with his parish associates, Parish Pastoral Council and other appropriate parish committees should clearly identify the need for the project and make a feasibility study. Minor repairs, i.e. those where total related expenditures will not reasonably exceed \$5,000. Are not part of the purview of the Committee.
2. The parish priest and representative members of the above mentioned groups should forward to the Bishop in writing: 1) an explanation of the perceived need, 2) a full description of the proposed capital project itself, 3) an explanation identifying how the project will address the need, 4) a desired time-table, 5) an explanation of the parish's financial capacity, and 6) a request for approval in principle. The Bishop in turn will refer the proposal to the Diocesan Building and Loan Committee for study and await the Committee's recommendation to assist him in the decision he will make.
3. The Diocesan Building and Loan Committee will not generally initiate building or renovation projects, but will be prepared to assist those initiated at the local parish level. The Committee may seek the presence of the pastor and the parish committee at a meeting of the Committee to gather further information about a project and its general requirements. The Diocesan Building and Loan Committee, or one or more of its members, may make arrangements with the pastor for an on-site visit for further clarification at any time during the process.
4. In the event of the approval of a project (in excess of \$5,000.), the parish shall forward a detailed contract to the Bishop for approval and authorization before any commitment is express to any builder, contractor, workman or supplier of materials.

FINANCIAL ARRANGEMENTS:

1. Major projects will be considered for approval by the Diocesan Building and Loan Committee, when the parish has acquired at least 33% of the total estimated cost. Exceptions may be made for necessary maintenance projects.
2. For **Building Projects**, the normal repayment time for a loan is 10 years.
3. For **Major Maintenance Projects** (roof repair, heating, cooling systems, windows, etc.) The parish must submit to the Committee: preferably three price quotations from tradesmen or suppliers, designating the parish's choice, together with reasons; a complete financial cash flow statement showing anticipated donations from parishioners and loan repayment date, and a contract (cf. Appendix 1 – Sample contract detailing specific items to be included for parish's and/or Diocese's protection).
4. Only the Bishop or the Vicar General of the Diocese may approve and authorize the entering into a contract for a project exceeding \$5,000. If the approval is given, it will be in the name of the corporation sole, "The Roman Catholic Bishop of Thunder Bay".

Approval Date: November 1, 2000

+Fred J. Colli
Bishop of Thunder Bay



Guideline re Builder's Risk Insurance

This guideline has been drawn up to ensure that people working on Church property have adequate insurance coverage against injury and that dioceses are protected against unanticipated losses caused by building projects.

For any project with a contract value LESS than \$100,000 the following guidelines apply:

1. a) All contractors or trades people working on any project on Church property must maintain the following insurance coverage:
 - ❖ ***Comprehensive General Liability*** insurance in the amount not less than \$2,000,000 per occurrence which covers its employees, agents, members, officers, and volunteers (where relevant).
 - ❖ ***Automobile Liability*** insurance for any owned autos, hired autos, or non-owned autos used in connection with the contractors or trades peoples business. Automobile Liability insurance coverage should be maintained by the contractor or trades people in the minimum amount of \$2,000,000.
 - ❖ ***All contractors and trade persons*** shall maintain worker's compensation insurance as required by law.

- b)** Prior to the commencement of the project all contractors or trade people agree to provide a certificate of insurance to the Parish which will name the Diocese as an additional insured for claims arising out of the operations of the contractor or trades people.

The insurance coverage obtained by any of these parties will be considered primary and sufficient to cover the total cost of the project works. The recommended minimum limits of general liability and owned and non-owned automobile coverage referred to in 1 a) above are applicable to this section. (Information about Builder's Risk and Wrap Up liability insurance can be obtained by contacting HKMB, or any other registered insurance broker in Ontario.)

The limits of liability insurance referred to in 1a) and 2b) (ii) are considered minimum required limits of liability insurance. For example, it is recommended a minimum limit of liability of \$5,000,000 be provided when the following projects are undertaken – roofing, foundation/structural, any project involving scaffolding work (inside and outside), removal of knob and tube wiring, or fire protection installation – to name a few.



Guideline re Builder's Risk Insurance

This guideline has been drawn up to ensure that people working on Church property have adequate insurance coverage against injury and that dioceses are protected against unanticipated losses caused by building projects.

For any project with a contract value of \$100,000 or GREATER the following guidelines apply:

2. a) There must be a written contract E.G. Canadian Construction Documents Contract (CCDC), or similar industry approved agreement with a responsible legal entity.
 - (b) (i) An insured (and where appropriate bonded) general contractor must be hired to supervise and take complete responsibility of the construction and/or demolition work being done and any unforeseen consequences of that work.
 - (ii) The Diocese or the parish or the General Contractor must purchase insurance coverage to protect the project works including:
 - ❖ ***Builder's Risk*** – all risk physical damage coverage on project works,
 - ❖ ***General Liability insurance*** – covers claims arising from bodily injury or property damage to third parties,
 - ❖ ***Owned & Non-owned Automobile*** – covers claims arising from bodily injury or property damage to third parties.

- ❖ ***Contractor's Equipment*** – all risk physical damage coverage on all construction equipment owned by the contractor,
- ❖ ***Worker Compensation Coverage*** – all employees of the contractor must be protected in accordance with Provincial regulations,
- ❖ ***Other insurance coverage's deemed necessary***

The insurance coverage obtained by any of these parties will be considered primary and sufficient to cover the total cost of the project works. The recommended minimum limits of general liability and owned and non-owned automobile coverage referred to in 1a) above are applicable to this section. (Information about Builder's Risk and Wrap Up liability insurance can be obtained by contacting HKMB, or any other registered insurance broker in Ontario.)

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APPENDIX: POINTS TO BE INCLUDED IN A CONTRACT FOR A MAJOR PROJECT:

Owner: **The Roman Catholic Bishop of Thunder Bay**

(_____ Parish)

Name of Contractor _____

Work to commence _____ and finish _____

Contract Price is \$ _____

Schedule of payment is _____

Amount of holdback from each payment is (10%) _____ (no to be released without the approval of _____)

Describe the work to be done _____

Construction Lien Search to be conducted by _____

As well as the above, the contractor and the Owner agree as follows:

- ❖ Drawing will be provided to the Owner, where appropriate.
- ❖ If the work is not being completed as agreed, the Owner has the right to terminate the contract after giving the Contractor 5 days to rectify the problem subject to proper payment for work satisfactorily completed.
- ❖ Neither party will assign the contract.
- ❖ A request for change must be made in writing by the Contractor and will not be effective as a change order unless authorized by the Diocese. Any additional costs can be approved only by following this procedure before such costs are incurred.
- ❖ Contractor will obtain all necessary permits, licenses and certificates as its expense and comply with all laws, rules regulations and codes relating to the work.
- ❖ Contractor will be responsible for 1) liability insurance during construction of no less than \$3,000,000., 2) completed assets coverage in the amount of _____.
- ❖ The Diocese requires, 1) a labour and materials bond, and 2) a performance guarantee (this section is OPTIONAL on the part of the Diocese).
- ❖ The Contractor will indemnify and hold the Owner harmless from claims, actions and damages as a result of any act or omission of the contractor or anyone authorized by it to be on site.
- ❖ The Owner's property will be protected from damage during construction and property will be kept safe.
- ❖ The Contractor will be responsible for completing the work as agreed.
- ❖ The Contractor will provide a complete list of subcontractors to be used in the project.
- ❖ Other Contractor's and/or Owner's responsibilities specifically agree to.