

DIOCESE OF DALLAS

Contract Review Policy

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Definitions

“Entity” means any diocesan entity (*i.e.*, Pastoral Center, parish, parochial school, diocesan high school, seminary, Catholic Charities of Dallas, Inc, St. Joseph’s Residence, Inc., Texas Catholic Publishing, Calvary Hill Cemetery and/or The Elementary Principals Association (The Dallas Parochial League)).

Purpose of the Policy

A contract is any agreement between an Entity and another party whether or not it is specifically titled as a “contract”. A contract may involve a commitment of Entity funds, facilities, personnel, or resources, or it may be a commitment for the Entity to give up a right it otherwise may have. Examples include: purchase or other agreements for goods or services, independent contractor agreements, nondisclosure or confidentiality agreements, agreements for the acceptance of gifts, leases, contracts for the purchase or sale of real estate, or liability waivers. This list is not all-inclusive.

Any contract within the scope of the following separate policies should be managed in accordance with those policies:

- Construction – see Construction and Major Renovation Policies
- Lease Agreements – See Lease Policy
- Facility Use Agreements (Entity Facilities) – See Use of Entity Facilities Policy
- Real Estate Transactions – See Purchase and Sale of Real Estate Policy
- Financing, Credit Cards, Merchant Services – See Financing Policy

Contract Review Policy

The purpose of this policy is to help ensure that all Entities are following the same procedures when making agreements with third parties so that the Diocese can help the Entities to manage risk posed by contracts. The goals of requiring review of contracts include ensuring that liability under the contract is assumed by the proper party and assisting Entities in analyzing any unnecessary or unfavorable terms and conditions. All Entities must follow the Contract Review Process described below.

Steps in the Contract Review Process

1. Before an Entity decides to contract with any provider for goods or services, the Entity should contact the Director of Purchasing at the Pastoral Center. This will help to ensure that the entity is aware of any existing relationships with applicable vendors and any pricing advantages to using specific vendors. While all Entity buying decisions should be transparent and competitive, the Director of Purchasing can assist all Entities in identifying vendors that are familiar with Diocesan Contract Requirements.

2. All Entities **must** have a written contract in place with all independent contractors, service providers, and vendors. **Independent contractors, service providers, and other vendors performing services at or delivering goods to Entity facilities or at facilities leased by the Entity are required to carry General Liability, Workers' Compensation, and Automobile Liability insurance regardless of the size of the contract and provide proof to the Entity that they have insurance in the form of a Certificate of Insurance. Only the Director of Risk Management may waive any of these insurance requirements.** Other vendors performing services on behalf of the Entity off-site may also be required to maintain certain types of liability insurance.

Note: Large National Vendors such as Jason's Deli, Dominos, UPS, Fed Ex, etc do not require a written contract to deliver goods to Entity Facilities.

3. Entities may use the **Maintenance and Repair Work Order** for maintenance and repair vendors performing services less than \$10,000 (excluding roofing work). The Entity **MUST** ensure the vendor maintains all required insurance and provides the Entity with a Certificate of Insurance. Additionally, the Maintenance and Repair Work Order must be signed by the vendor without edit. If these conditions have been met, the Contract does not require further review by Risk Management or Legal Counsel. The contract **MUST** be uploaded into the Contract Management System along with the certificate of insurance for recordkeeping.

Entities may use the **Speaker / Performer / Presenter Agreement** for Speakers, Presenters, Entertainers, and similar vendors. The Agreement must be signed by the vendor without edit. If these conditions have been met, the Contract does not require further review by Risk Management or Legal Counsel. The contract **MUST** be uploaded into the Contract Management System for recordkeeping.

4. **Read the Contract.** Entities should not continue with the Contract Review Process until they have fully read the contract and determined that they are in agreement with the business terms (i.e price, quantity, timing, etc) and details of the business agreement. Should changes to the business terms be necessary, this should be done prior to sending the contract for review. An Entity may only contract on behalf of itself. No Entity should accept any contract drafted on behalf of the Diocese or Bishop. Additionally, no Entity should accept any contract that lists the Entity as a "DBA" or similar designation of the Diocese.
5. Once the Entity is satisfied with the business terms of the Contract, the Contract **MUST** be uploaded into the Diocesan Contract Management System (Agiloft) for processing and review. Only complete contracts with all exhibits, attachments, and any other documents should be uploaded. Additionally, if the vendor is required to maintain insurance as described in #2 above, the Certificate of Insurance **MUST** be uploaded for review.
6. The Director of Purchasing will review incidental contracts for goods such as office equipment (copiers, stamp machines, etc), furniture, and technology goods and Services. These will not require any further review by Risk Management or Legal Counsel provided they contain approved indemnity / insurance verbiage and only approved addendums are utilized. However, Entities **MUST** understand the risks associated with these types of contracts and fully accept the responsibility for performance under the contract.

7. Any Contract:

- a. Exceeding \$10,000, **or**
- b. For 12+ months of duration, **or**
- c. Any contract that automatically renews, **or**
- d. Any contract for any dollar amount / duration containing a limitation of liability, indemnification, insurance requirement, or waiver of subrogation, **or**
- e. Any contract for the transportation of individuals, **or**
- f. Any contract for Amusement Rides / Services, **or**
- g. Any contract involving confidential, financial, or proprietary information, **or**
- h. Any contract for vendors working with children or vulnerable adults, **or**
- i. Any school food services contract

MUST be reviewed by the Office of Risk Management through the Contract Management System.

8. Contracts exceeding \$100,000 **MUST** be reviewed by Diocesan Legal Counsel. From time to time, Contracts below \$100,000 may also require review by legal counsel due to the subject matter or complexity of the agreement. The Office of Risk Management will communicate this requirement to the Entity as they arise.
9. Once the Contract has been reviewed, amended, and accepted by both parties, **only the Pastor, Principal, or President can sign the agreement.** Parish or School-based organizations (e.g., Dad's Clubs, Ladies Auxiliaries, etc.) cannot sign contracts on behalf of the Parish or School. Contracts involving these organizations are subject to this Policy and must be signed by the Pastor, Principal, or President as applicable.
10. All Contracts must be maintained in the Diocesan Contract Management System with all attachments, changes, and certificates of insurance. On multi-year contracts, the Entity will need to upload additional certificates of insurance as the contract term progresses.

Use of Volunteer Attorneys by Diocesan Entities

While Diocesan Entities are separate and distinct juridic persons or other independently incorporated organizations, their operations may still expose the diocese and diocesan master insurance program to risk of loss. For this reason, it is important to maintain consistency with respect to contractual obligations throughout all diocesan entities. The Diocese has selected the law firm of Jackson Walker LLP to serve as outside counsel to the Diocese for purposes of, among other things, reviewing and providing advice regarding contracts which are subject to this policy. This, in turn, helps the Diocese and Diocesan Entities better manage risk as a group.

Many Diocesan Entities have enjoyed the use of volunteer legal services provided by attorneys who, by reason of their connection to the Entity or its work, have offered their services free of charge. To allow those Entities to preserve these relationships where appropriate, while also ensuring that Diocesan policies and best practices for contracting are followed and that Entities receive consistent and high-quality legal services from appropriately-experienced lawyers, approval is required for a Diocesan Entity to use the services of a non-Jackson Walker attorney for contract review. To obtain approval to use a non-Jackson Walker volunteer attorney, please contact Diocesan legal counsel listed below and provide them with the name of the proposed volunteer attorney and the nature of the work the Entity wishes the attorney to perform. If the volunteer attorney is approved, an attorney from Jackson Walker will contact the volunteer

attorney to discuss Diocesan policies, best practices, and insurance requirements, and will work with the volunteer attorney to ensure that work for the Entity is coordinated with Jackson Walker and Risk Management as appropriate. Approval of volunteer attorneys is based primarily on the volunteer attorney's level of experience and primary area of practice, and will not be unreasonably withheld.

Diocesan legal counsel can be contacted directly with questions:

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