

# ***Catholic Mutual CARES***

## **ADDENDUM TO CONSTRUCTION CONTRACT**

Typically, when organizations are adding an addition, undergoing a major renovation, or remodeling their facilities, a written contract is signed with a contractor. The Addendum to Construction Contract should be attached to contracts with contractors performing work at your parish. The Addendum to Construction Contract should be utilized in the following situations:

1. When your organization enters into a construction, renovation, or remodeling contract in excess of \$10,000 with a contractor or architect. For small contractor jobs that are under \$10,000 (or the threshold of your Arch/Diocesan Construction Contract Review Policy), it is not a requirement for your organization to utilize the Addendum to Construction Contract. However, the organization must still verify that these contractors have liability insurance covering their construction operations at the parish.
2. When a contractor is performing an unusual or dangerous construction procedure at your parish. An example of this would be a contractor job involving the use of scaffolding or one that calls for asbestos removal.

By attaching the Addendum to Construction Contract to the contract or incorporating its wording into a contract, your parish will satisfy insurance requirements. If the Addendum to Construction Contract is not attached to the contract with a contractor, the wording of the addendum must be incorporated into the contract developed by the parish and the contractor. The parish should always verify that the contractor has named the parish as an **additional insured** on their commercial general liability insurance policy. It is not adequate for the parish to obtain a certificate of insurance which names the parish as a "certificate holder."

Your Arch/Diocese likely has a construction contract review policy already in place, which advises a threshold for use of this addendum. If not, construction contracts over \$10,000 or contracts dealing with a construction process of an unusual nature should be submitted to Catholic Mutual for review *before* the parish signs them. Should a contractor have questions regarding the requirements outlined in the Addendum to Construction Contract, please have them contact Catholic Mutual at 1-800-228-6108.



COMMITMENT + EXPERTISE + STABILITY

# ADDENDUM TO CONSTRUCTION CONTRACT

**BUILDER'S RISK INSURANCE:** Builder's Risk and Boiler and Machinery Coverage will be obtained by the OWNER to cover the project. Any payment under Builder's Risk or Boiler and Machinery Coverages will be made jointly to the OWNER and CONTRACTOR. Further, OWNER and CONTRACTOR agree that any payment under Builder's Risk or Boiler and Machinery Coverages will be placed into a joint account until such funds are reinvested in the construction project.

**COMMERCIAL GENERAL LIABILITY INSURANCE:** While CONTRACTOR is performing operations for OWNER, CONTRACTOR shall maintain commercial general liability insurance for not less than two million dollars (\$2,000,000) per occurrence. It is further agreed that the CONTRACTOR agrees to protect, defend, indemnify, and hold harmless the OWNER against and from any claim or cause of action arising out of or from any negligence or other actionable fault of the CONTRACTOR, or its employees, agents, members, or officers.

**AUTOMOBILE LIABILITY INSURANCE:** CONTRACTOR shall maintain automobile liability insurance for any owned autos, hired autos, or non-owned autos used in connection with the contractor's business. Automobile liability coverage should be maintained by the CONTRACTOR in the minimum amount of two million dollars (\$2,000,000) combined single limit.

**WORKER'S COMPENSATION INSURANCE:** CONTRACTOR shall maintain workers' compensation insurance as required by law.

**ADDITIONAL INSURED:** CONTRACTOR agrees to provide a certificate of insurance to the OWNER, which will name the OWNER as an additional insured on CONTRACTORS liability policy for claims arising out of CONTRACTORS, subcontractors, or sub-subcontractors operations or made by CONTRACTORS, subcontractors, or sub-subcontractors, employees, agents, guests, customers, invitees, or subcontractors. CONTRACTOR must verify that its liability insurance policy is primary in the event of a covered claim or cause of action against OWNER.

**SUBCONTRACTORS:** CONTRACTOR shall be required to verify that all subcontractors maintain general liability insurance, workers' compensation insurance, and automobile liability insurance. Furthermore, CONTRACTOR agrees to indemnify and defend the OWNER for any claim or cause of action, whatsoever, which was caused by the negligence, or other actionable fault of an uninsured/underinsured subcontractor.

**NO WAIVER OF SUBROGATION:** OWNER does not waive any rights of recovery against the CONTRACTOR, subcontractor, or sub-subcontractor for any damages. OWNER and CONTRACTOR, subcontractor and sub-subcontractor do waive the right of recovery against each other for any damages covered under Property, Builders Risk, or Boiler and Machinery coverage for which either party is responsible if that party does not have liability insurance to cover such damages, and liability insurance has been maintained as required by this document.

**CONTRACT OVERRIDE AND SEVERABILITY PROVISION:** CONTRACTOR and OWNER agree that this addendum overrides any and all portions of previous agreements between CONTRACTOR and OWNER that contain language in contradiction with this contract. If any portion of this Addendum to Construction Contract is deemed or is determined to be in conflict with local or state, or national statutes, both CONTRACTOR and OWNER agree that the portion of the Addendum to Construction Contract, which is in conflict with the statute, will be stricken from the Addendum to Construction Contract with the remainder of the Addendum to Construction Contract remains binding for both parties.

**CONTRACTOR/SERVICE PROVIDER:**

\_\_\_\_\_

**BY:**

NAME

DATE

**PARISH:**

\_\_\_\_\_  
(PARISH is understood to include the (Arch)/Diocese of \_\_\_\_\_)

**BY:**

NAME

DATE

**START DATE OF CONTRACT (Understood to be date signed if left blank):** \_\_\_\_\_

*Instruction to OWNER (Owner Use Only): This Addendum to Construction Contract stands on its own as a legal contract between OWNER and CONTRACTOR should this addendum not be incorporated or attached to a contract.*