

## I. <u>Purpose</u>

These suggested guidelines are designed to protect the County=s interests and to minimize its potential liability as well as to assure better protection of the Other Party=s interests. These guidelines represent a RISK MANAGEMENT viewpoint of desirable policy and wordings for only risk and insurance provisions in agreements, contracts and leases, and are not intended to represent legal opinion, which should be sought from legal counsel.

## II. <u>Scope</u>

These guidelines are applicable to all agreements, contracts and leases.

Incorporation of these provisions shall be adhered to as closely as possible and as practical to the specific project. The comparative negotiating strength and leverage of the parties to each agreement, contract or lease and the legal and insurance climate will determine which specific terms are practical for individual agreements, contracts and leases.

Insurance guidelines include basic coverage requirements, which should apply in most situations, and several additional insurance requirements, one or more of which should be chosen for individual agreements, contracts or leases, on an as-needed basis.

## III. Terms and Conditions

Agreements, contracts and leases shall contain risk management/insurance terms to protect the County=s interests.

## A. <u>County Defined</u>

The term County (wherever it may appear) is defined to mean the County itself, its Board, officers, employees, volunteers, representatives and agents.

## B. <u>Other Party Defined</u>

The term Other Party (wherever it may appear) is defined to mean the other person or entity which is a party to this agreement, contract or lease, any subsidiaries or affiliates, officers, employees, volunteers, representatives, agents, contractors and subcontractors.



Procedure No: PP-185

## III. Terms and Conditions (cont'd.).

## C. <u>Hold Harmless</u>

The Other Party agrees to hold the County harmless against all claims for bodily injury, sickness, disease, death or personal injury or damage to property or loss of use resulting therefrom, arising out of the agreement, contract or lease unless such claims are a result of the County=s sole negligence.

The County shall also be held harmless against all claims for financial loss with respect to the provision of or failure to provide professional or other services resulting in professional, malpractice, or errors or omissions liability arising out of performance of the agreement or contract, unless such claims are a result of the County=s sole negligence.

#### D. <u>Payment on Behalf of County</u>

The Other Party agrees to pay on behalf of the County, and to pay the cost of the County=s legal defense, as may be selected by the County, for all claims described in the Hold Harmless paragraph.

Such payment on behalf of the County shall be in addition to any and all other legal remedies available to the County and shall not be considered to be the County=s exclusive remedy.

## E. <u>Consideration for Hold Harmless/Payment on Behalf</u> <u>Applicable to Florida Construction Contracts</u>

The Other Party agrees to accept, and acknowledges as adequate remuneration, the consideration of \$ \_\_\_\_\_ for agreeing to the Hold Harmless, Payment on Behalf of the County, Insurance and Certificates of Insurance provisions in this agreement or contract.

## F. Loss Control/Safety

Precaution shall be exercised at all times by the Other Party for the protection of all persons, including employees, and property. The Other Party shall be expected to comply with all laws, regulations or ordinances related to safety and health, shall make special effort to detect hazardous conditions and shall take prompt action where loss control/safety measures should reasonably be expected.



## III. Terms and Conditions (cont'd.).

The County may order work to be stopped if conditions exist that present immediate danger to persons or property. The Other Party acknowledges that such stoppage will not shift responsibility for any damages from the Other Party to the County.

# IV. Insurance

# A. <u>General Requirements and Conditions</u>

The Other Party shall procure and maintain the following described insurance, except for coverages specifically waived by the County, on policies and with insurers acceptable to the County.

These insurance requirements shall not limit the liability of the Other Party. The County does not represent these types or amounts of insurance to be sufficient or adequate to protect the Other Party=s interests or liabilities, but are merely minimums.

Except for workers compensation and professional liability, the Other Party=s insurance policies shall be endorsed to name the County as an additional insured to the extent of the County=s interests arising from this agreement, contract or lease.

Except for workers compensation, the Other Party waives its right of recovery against the County, to the extent permitted by its insurance policies.

The Other Party=s deductibles/self-insured retentions shall be disclosed to the County and may be disapproved by the County. They shall be reduced or eliminated at the option of the County. The Other Party is responsible for the amount of any deductible or self-insured retention.

Insurance required of the Other Party or any other insurance of the Other Party shall be considered primary, and insurance of the County shall be considered excess, as may be applicable to claims which arise out of the Hold Harmless, Payment on Behalf of County, Insurance, Certificates of Insurance and any Additional Insurance provisions of this agreement, contract or lease.

If requested by the County, the Other Party shall furnish complete copies of the Other Party=s insurance policies, forms and endorsements.



Procedure No: PP-185

Page No: 4 of 19

#### IV. Insurance (cont=d.)

For Commercial General Liability coverage the Other Party shall, at the option of the County, provide an indication of the amount of claims payments or reserves chargeable to the aggregate amount of liability coverage.

#### B. <u>Certificates of Insurance</u>

The Contractor shall procure and maintain required insurance coverages documented on Certificates of Insurance. Such policies shall be from insurers with a minimum financial size of VIII according to the latest edition of the AM Best Rating Guide. An "A" or better Best Rating is "preferred"; however, other ratings if "Secure Best Ratings" may be considered.

Required insurance shall be documented in Certificates of Insurance which provide that the County shall be notified at least 30 days in advance of cancellation, nonrenewal or adverse change.

New Certificates of Insurance are to be provided to the County at least 15 days prior to coverage renewals.

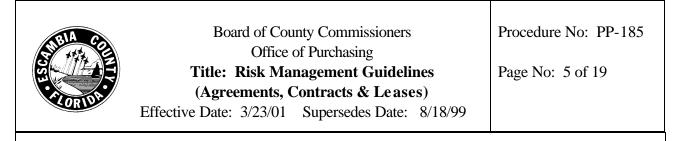
The County shall be named as certificate holder; and, except for workers compensation and professional liability, the Certificates of Insurance shall document the County as additional insured to the extent of the County=s interests arising from the agreement, contract, or lease.

Receipt of certificates or other documentation of insurance or policies or copies of policies by the County, or by any of its representatives, which indicate less coverage than required does not constitute a waiver of the Other Party=s obligation to fulfill the insurance requirements herein.

#### C. Basic Insurance Coverages Required

#### 1. Workers Compensation Coverage

The Other Party shall purchase and maintain workers compensation insurance for all workers compensation obligations imposed by state law and employers liability coverage with limits of at least \$100,000 each accident, \$100,000 each disease/employee, and \$500,000 per disease/policy limit. The Other Party shall also purchase any other coverages required by law or the benefit of employees.



## IV. <u>Insurance (cont=d.)</u>

## 2. <u>General, Automobile and Excess or Umbrella Liability Coverage</u>

The Other Party shall purchase and maintain coverage on forms no more restrictive than the latest editions of the Commercial or Comprehensive General Liability and Business Auto policies of the Insurance Services Office (ISO).

Minimum limits of \$\_,000,000 per occurrence for all liability must be provided, with excess or umbrella insurance making up the difference, if any, between the policy limits of underlying policies (including employers liability required in the Workers Compensation Coverage section) and the total amount of coverage required.

#### a. <u>General Liability Coverage</u>

1. <u>Commercial General Liability-Occurrence Form Required</u>

If Commercial General Liability coverage is provided:

Coverage A shall include premises, operations, products and completed operations, independent contractors, contractual liability covering this agreement, contract or lease, and broad form property damage coverages.

Coverage B shall include personal injury.

Coverage C, medical payments, is not required.

Explosion, collapse or underground (x, c, u) exposures or any other standard form coverages shall not be excluded except with written permission from the County=s Risk Manager.



## IV. Insurance (cont=d.)

The Other Party is required to continue to purchase products and completed operations coverage, at least to satisfy this agreement, contract or lease, for a minimum of three years beyond the County=s acceptance of renovation or construction projects.

# b. <u>Business Auto Liability Coverage</u>

Business Auto Liability coverage is to include bodily injury and property damage arising out of ownership, maintenance or use of any auto, including owned, nonowned and hired automobiles and employee nonownership use.

## c. <u>Excess or Umbrella Liability Coverage</u>

Umbrella Liability insurance is preferred, but an Excess Liability equivalent may be allowed. Whichever type of coverage is provided, it shall not be more restrictive than the underlying insurance policy coverages.

## D. Additional Insurance

The following additional types of insurance may be determined relevant to the agreement, contract or lease by the County and will be required of the Other Party when so stipulated.



## IV. <u>Insurance (cont=d.)</u>

# 1. <u>Property Coverage For Leases</u>

The Other Party shall procure and maintain for the life of the lease, all risk/special perils (including sinkhole) property insurance (or its equivalent) to cover loss resulting from damage to or destruction of the building and personal property/contents. The policy shall cover 100% replacement cost and shall include an agreed value endorsement to waive coinsurance.

Coverage shall also include continued full payment of rents to the County for up to one year after damage or destruction of the property.

# 2. <u>Commercial General Liability Coverage Project Aggregate</u>

Because the Commercial General Liability form of coverage includes an annual aggregate limitation on the amount of insurance provided, a separate project aggregate limit of \$ \_\_\_\_\_ is required by the County for this agreement or contract.

# 3. <u>Liquor Liability</u>

In anticipation of alcohol being sold, the Other Party shall provide evidence of coverage for liquor liability in an amount equal to the general/umbrella/excess liability coverage. If the general liability insurance covers liquor liability (e.g. host or other coverage), the Other Party=s agent or insurer should provide written documentation to confirm that coverage already applies to this agreement, contract or lease. If needed coverage is not included in the general/umbrella/excess liability policy(ies) must be endorsed to extend coverage for liquor liability, or a separate policy must be purchased to provide liquor liability coverage in the amount required.



Procedure No: PP-185

## IV. Insurance (cont=d.)

## 4. <u>Owners Protective Liability Coverage</u>

For renovation or construction contracts the Other Party shall provide for the County an owners protective liability insurance policy (preferably through the Other Party=s insurer) in the name of the County.

This is redundant coverage if the County is named as an additional insured in the Other Party=s Commercial General Liability insurance policy. However, this separate policy may be the only source of coverage if the Other Party=s liability coverage limit is used up by other claims.

# 5. Builders Risk Coverage

Builders Risk insurance is to be purchased to cover subject property for all risks of loss, subject to a waiver of coinsurance, and covering off-site storage, transit and installation risks as indicated in the Installation Floater and Motor Truck Cargo insurance described hereafter, if such coverages are not separately provided.

The Builders Risk insurance is to be endorsed to cover the interests of all parties, including the County and all contractors and subcontractors. The insurance is to be endorsed to grant permission to occupy.

# 6. <u>Installation Floater Coverage</u>

Installation Floater insurance is to be purchased when Builders Risk insurance is inappropriate, or when Builders Risk insurance will not respond, to cover damage or destruction to renovations, repairs or equipment being installed or otherwise being handled or stored by the Other Party, including off-site storage, transit and installation. The amount of coverage should be adequate to provide full replacement value of the property, repairs, additions or equipment being installed, otherwise being handled or stored on or off premises. All risks coverage is preferred.



# IV. <u>Insurance (cont=d.)</u>

7. <u>Motor Truck Cargo Coverage</u>

If the Installation Floater insurance does not provide transportation coverage, separate Motor Truck Cargo or Transportation insurance is to be provided for materials or equipment transported in the Other Party=s or other vehicles from place of receipt to building sites or other storage sites. All risks coverage is preferred.

# 8. <u>Contractor's Equipment Coverage</u>

Contractor-s Equipment insurance is to be purchased to cover loss of equipment and machinery utilized in the performance of work by the Other Party. All risks coverage is preferred.

9. <u>Fidelity/Dishonesty Coverage – for Employer</u>

Fidelity/Dishonesty insurance is to be purchased to cover dishonest acts of the Other Party=s employees, including but not limited to theft of vehicles, materials, supplies, equipment, tools, etc., especially property necessary to work performed.

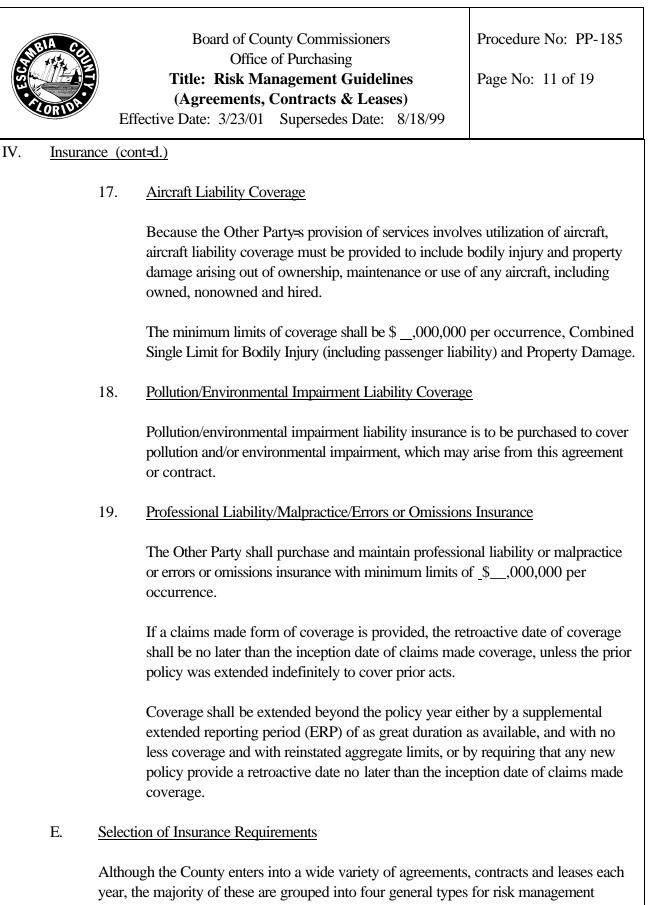
10. <u>Fidelity/Dishonesty/Liability Coverage – for County</u>

Fidelity/Dishonesty/Liability insurance is to be purchased or extended to cover dishonest acts of the Other Party=s employees resulting in loss to the County.

11. <u>Garage Liability Coverage</u>

Garage Liability insurance is to be purchased to cover the Other Party and its employees for its garage and related operations while in the care, custody and control of the County=s vehicles.

COLUMN TO A	DRIVIN Eff	Board of County Commissioners Office of Purchasing <b>Title: Risk Management Guidelines</b> (Agreements, Contracts & Leases) Fective Date: 3/23/01 Supersedes Date: 8/18/99	Procedure No: PP-185 Page No: 10 of 19					
IV.	Insurance (cont=d.)							
	12.	Garagekeepers Coverage (Legal Liability Form)						
		Garagekeepers Liability insurance is to be purchased to cover the Other Party=s liability for damage or other loss, including comprehensive and collision risks, to the County=s vehicles while in the care, custody and control of the Other Party. This form of coverage responds only when the Other Party is legally liable for the loss.						
	13.	Garagekeepers Coverage (Direct-Excess Form)						
		Garagekeepers Liability insurance is to be purchased to cover damage or other loss, including comprehensive and collision risks, to the County=s vehicles while in the care, custody and control of the Other Party. This form of coverage responds on a legal liability basis, and also without regard to legal liability on an excess basis over any other collectible insurance.						
	14.	Watercraft Liability Coverage						
		If the Other Party=s provision of services involves utilization of watercraft, watercraft liability coverage must be provided to include bodily injury and property damage arising out of ownership, maintenance or use of any watercraft, including owned, nonowned and hired.						
		Coverage may be provided in the form of an endorsement to the general liability policy, or in the form of a separate policy covering Watercraft Liability or Protection and Indemnity.						
	15. <u>United States Longshoremen and Harborworkers Act Coverage</u>							
		The Workers Compensation policy is to be endorsed Longshoremen and Harborworkers Act Coverage for from this agreement or contract.						
	16.	16. Jones Act Coverage						
		The Workers Compensation policy is to be endorsed Coverage for exposures, which may arise from this ag						



purposes.



#### IV. Insurance (cont=d.)

Type 1:**Repair, Service or Supply**, such as equipment repair, janitorial services, electrical, plumbing, painting, roofing, etc. services, chemical supply, etc.

Type 2: **Construction Projects**, such as building construction or renovation, roads, sewers, etc.

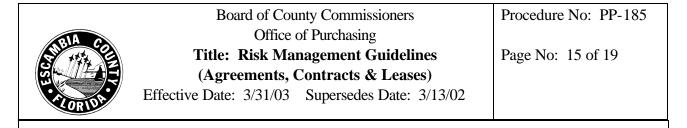
Type 3:**Professional Services**, such as architects, engineers, or other consultants providing professional services.

Type 4: Property Leases, such as buildings, office space, etc.

The following risk management Amatrix@is intended to provide guidance for determination of the necessary type and amount of coverage for each agreement, contract or lease.

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	Effecti	ive Date: 3/23/	01 Suj	persedes Date:	8/18/99		
			Type 1		Type 2	Type 3	Type 4
	Scope of	Amour	t of	Repair, Service,	Coi	nstruction P	rofessional
	Property Coverage	Coverage	or Supp	ly.	Projects.	Services.	Leases.
1	Hold Harmless Identification/ Pay on Behalf.	Not Applicable	Yes		Yes	Yes	Yes
2	Workers Compensation	W/C Statutory EL \$100,000 \$100,000 \$500,000	Yes		Yes	Yes	No
3	General Liability	\$1,000,000	Yes		Yes	Yes	Yes
4	Automobile Liability	\$ 500,000	Yes		Yes	Yes	No
5	Garage Liability	\$ 500,000	TBD		No	No	No
5.	Garagekeepers Liability (Legal Liability Form)	\$ 500,000	TBD		No	No	No
7.	Professional Liability	\$ 500,000	No		No	Yes	No
8.	Umbrella/Excess Liability	\$1,000,00	No		Yes	Yes	No
9.	a. Builder's Risk	Replacement Cost	TBD	Verti Horiz	cal: Yes No zontal: No	Ν	lo
	b. Installation Floater	Replacement Cost		11011	Yes	No	No
10.	Property Insurance Rents Payments	Replacement Cost 6 Months	TBD		No	No	Yes
11.	Pollution/ Environmental Impairment Liabil	\$ 500,000	TBD		TBD	No	TBD
12.	Watercraft Liability	\$ 500,000	TBD		TBD	TBD	TBD
13.	Aircraft Liability	\$ 500,000	TBD		TBD	TBD	TBD
14.	County as Additional Insured	Not Applicable		ssional Pr	ll but WC, ofessional ability	All but WC, Professional Liability	All but WC, Professional Liability
15.	Safety Requirements	Not Applicable	Yes		Yes	Yes	Yes

C ESCA	BIA CO	Board of County Commissioners Office of Purchasing <b>Title: Risk Management Guidelines</b> (Agreements, Contracts & Leases) Effective Date: 3/31/03 Supersedes Date: 3/23/01	Procedure No: PP-185 Page No: 14 of 19				
V.	Proce	dure					
	1. The Office of Purchasing shall assist the user department by interfacing with the County Risk Management Consultant in determining the Risk Management guidelines (verbiage and insurance coverages) to include in agreements, contracts and leases. Such Risk Management concerns are usually launched in the solicitation process.						
	2. The user department shall supply to the Office of Purchasing a brief narrative of the project scope, general work activities and any special/possible Risk Management concerns peculiar to the project.						
	3. The Office of Purchasing shall create an inquiry to the County Risk Management Consultant using the project narrative provided by the user department; and may includ samples of Risk Management guidelines established from similar previous projects.						
	Included in such inquiries shall be the Risk Management verbiage and Insurance Sectior from Special Terms and Conditions or Standard Forms of Contracts as they relate and blank sample Certificate of Insurance. (Per form F0015, Certificate of Insurance.)						
	4.	The County Risk Management Consultant shall review and advise the Office of Purchasing by marking up and modifications of the insurance sections sent to determine what the final verbiage, insurance types and coverages should be for the project; and graphically display such coverages on sample Certificate(s) of Insurance. Risk Management shall return the entire section with or without changes to assure completeness of intention.					
	5. The Office of Purchasing will assure the inclusion of these project specific guidelines from the County Risk Management Consultant in the solicitation (and/or) in preparation for agreements, contracts and leases.						
	6. Post-award Compliance will be provided by the Office of Purchasing. The awardee will be notified of the award and the compliance requirements to manifest itself in Certificate(s) of Insurance. The Office of Purchasing will review per detailed Section VII, <u>Procedures-Certificate(s) of Insurance Receipt/Review/Follow-Up</u> of this procedure the provider furnished certificates along with the solicitation requirements for sign-off or feedback of deficiencies. Deficiencies are to be discussed with the contractor by the Office of Purchasing and the contractor shall take measures to have such deficiencies corrected; and, new Certificate(s) of Insurance will be sent to the Office of Purchasing who will provide final sign-off when fully compliant.						



# VI. Special Procedures

1. Fast Track (Emergency) Processing by The Office of Purchasing.

Typically for small purchases, where service is needed on a Fast Track (Emergency) basis, the Office of Purchasing shall secure from the contractor certificate(s) of insurance on the coverages they currently carry.

Acceptable certificates shall show the County as certificate holder, additional insured, and a 30-day cancellation notice. Such policies shall be from insurers with a minimum financial size of VIII according to the latest edition of the AM Best Rating Guide. An "A" or better Best Rating is "preferred"; however, other ratings if "Secure Best Ratings" may be considered.

Ideally, The County Risk Management Consultant should review and advise the Office of Purchasing the level of acceptability demonstrated by the certificates as applicable to the needs of the project. Deficiencies, if any, shall be discussed by the Office of Purchasing with the Contractor and revised certificates should be provided. Review of the revised certificates should be made by The County Risk Management Consultant until they are acceptable.

In cases where time will not permit the County Risk Management Consultant a review of the certificates provided, then the Purchasing Agent shall discuss with the Purchasing Manager the circumstances and their decision may provide for the County Risk Manager or the Office of Purchasing performing the review in keeping with section IV E. ASelection of Insurance Requirements@, including the Matrix as prepared by the County Risk Management Consultant. Corrective action on noted deficiencies shall be made by the Contractor until acceptable.

The Purchasing Agent shall, on a case-by-case basis, determine which of the above methods for review, revisions if necessary, and final acceptance of insurance certificates should occur.

2. Budgetary and Pre-Bid ALeg-Work@Provided by the Department.

The user department will need to assure compliance with these guidelines, when doing budgetary and pre-bid Aleg-work@, to assist in more expedient processing of the user=s project.

Section IV E. ASelection of Insurance Requirements<sup>®</sup>, including the Matrix and other details as outlined in this procedure, will provide user departments guidance in such cases.



Page No: 16 of 19

The user department shall provide this information to potential providers in order to assure provider responsibility for risk management and such costs associated with the project.

In cases of Aleg-work@the user department shall supply to the Office of Purchasing notation that typical guidelines of this procedural section have been given to the potential providers in preparation of this project assessment and/or budgetary estimates. The Office of Purchasing shall assure confirmation of these Risk Management guidelines as inclusive in any bids, proposals or offers by the potential providers during the Abidding@ and award phases of the solicitation and shall assure post-award compliance with the successful provider as outlined in V. <u>Procedure</u> or VI. <u>Special Procedures</u> 1. Fast Track, as applicable to the procurement.

3. Direct Purchase Program Administered by Management Contractors Hired by the Board of County Commissioners, (I.E. ATC Vancom).

The Management Contractor shall assure compliance with these guidelines to assure that the County=s exposure to risk is minimalized.

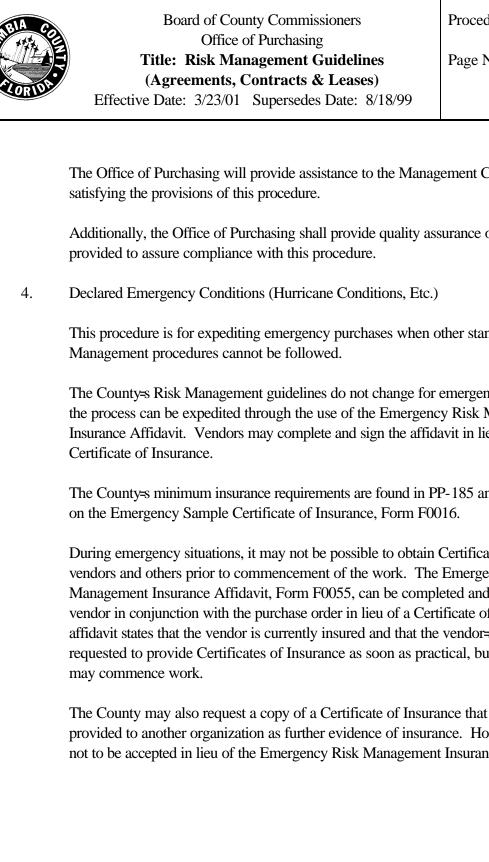
Section IV E. ASelection of Insurance Requirements<sup>@</sup>, including the Matrix and other details as outlined in this procedure, will provide the Management Contractor guidance in this matter.

The Management Contractor should advise the bidders of these requirements during the bidding phase and assure compliance from the successful bidder in the post-award phase of the sub-project.

Certificates provided by the sub-contractor should demonstrate the appropriate types and levels of insurance as outlined in Section IV E. as applicable to the type of service being performed.

Review of the certificates to determine compliance shall be in accordance with Section VII <u>Procedures - Certificate(s) of Insurance Receipt/Review/Follow-Up</u>.

The Management Contractor shall send along with the requisition for the purchase order, a copy of such insurance certificates which clearly demonstrate sub-contractor compliance with this procedure.



Procedure No: PP-185

The Office of Purchasing will provide assistance to the Management Contractor in

Additionally, the Office of Purchasing shall provide quality assurance on the certificates as

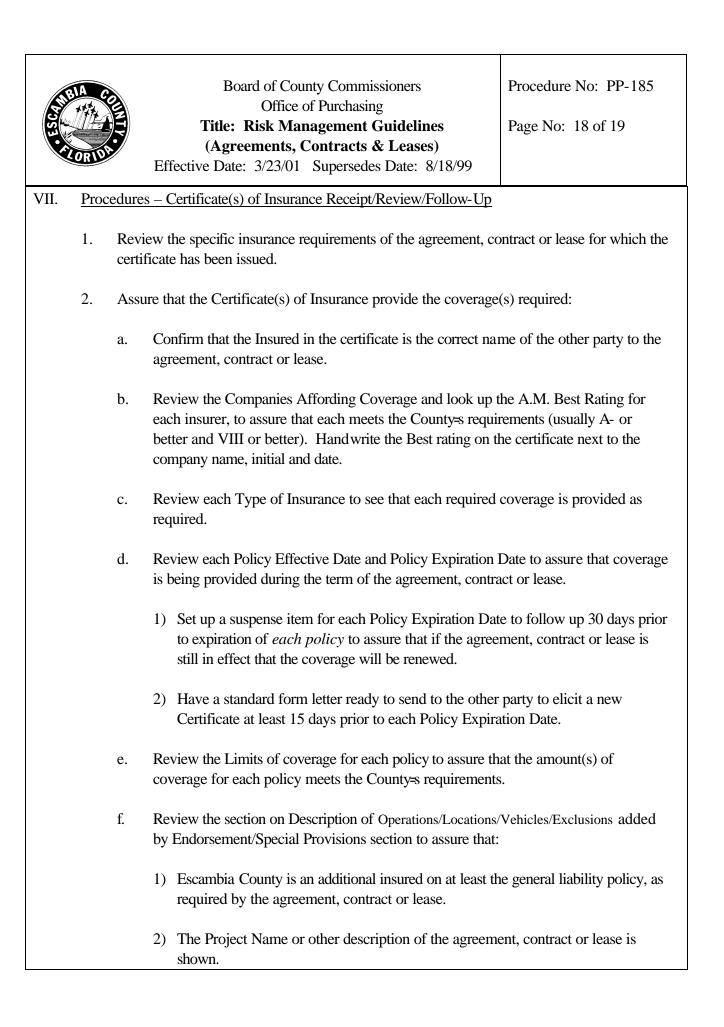
This procedure is for expediting emergency purchases when other standardized Risk

The County-s Risk Management guidelines do not change for emergency situations, but the process can be expedited through the use of the Emergency Risk Management Insurance Affidavit. Vendors may complete and sign the affidavit in lieu of producing a

The County-s minimum insurance requirements are found in PP-185 and are summarized

During emergency situations, it may not be possible to obtain Certificates of Insurance for vendors and others prior to commencement of the work. The Emergency Risk Management Insurance Affidavit, Form F0055, can be completed and signed by the vendor in conjunction with the purchase order in lieu of a Certificate of Insurance. This affidavit states that the vendor is currently insured and that the vendors insurers will be requested to provide Certificates of Insurance as soon as practical, but the contractor

The County may also request a copy of a Certificate of Insurance that the vendor has provided to another organization as further evidence of insurance. However, the copy is not to be accepted in lieu of the Emergency Risk Management Insurance Affidavit.





- g. Confirm that the Certificate Holder is Escambia County, and that the appropriate Purchasing Agent or other responsible party is named.
- h. Assure that the Cancellation section provides for 30 days notice of cancellation.
- i. If the insurance certificate contains information that is not understood or within the purview of the Purchasing Agent to determine compliance, then the Purchasing Agent will seek review and written response from the County's Risk Management Consultant.

If the written response from the County's Risk Management Consultant requires interpretive analysis or if there is a question about a risk policy decision, such as accepting a lower AM best Rating Company, lower insurance coverage levels, or any other such challenge or discussions of deficiencies, then the Purchasing Agent shall, on a case by case exceptions basis, seek review and written guidance feedback from the Office of Risk Management's Risk Manager.

- 3. Document your findings:
  - a. Approve the Certificate as meeting the County=s requirements.
  - b. List the items of non-compliance with the County=s requirements.
    - 1) Write the other party to solicit compliance, or refer the follow up to whomever within the County is responsible for the agreement, contract or lease.
    - 2) Follow-up to assure that the other party is responsive to correction of the deficiency(ies). Utilize steps from 2.i. above, if applicable, to resolving risk questions or conformance to requirements.