

SECTION 00820 LIABILITY AND INSURANCE REQUIREMENTS

1.0 INDEMNIFICATION

The Contractor shall indemnify, defend and hold harmless the City, its elected officials, officers, agents, employees and representatives from and against any and all claims, demands, actions, damages or judgments, including associated costs of investigation and defense, arising from any omission, fault, negligence, or other conduct of Contractor, its employees, or subcontractors during the performance of this Contract.

Approval of any insurance contracts by the City does not relieve the Contractor or subcontractors from liability under Section 00820-1.0, **INDEMNIFICATION**. The City will not be liable for any accident, loss, or damage to the work prior to its completion and acceptance.

2.0 INSURANCE REQUIREMENTS

2.1 Insurance

The Contractor shall procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors.

The Notice to Proceed with the Work under this Contract will not be issued, and the Contractor shall not commence work, until such insurance has been approved by the City. The Contractor shall not allow any subcontractors to commence work on its subcontract until all similar insurance required of the subcontractor has been obtained and verified by the Contractor. Such insurance shall remain in full force and effect at all times during the prosecution of the Work and until the final completion and acceptance thereof.

The Notice to Proceed does not relieve the Contractor of the duty to obtain and maintain such insurance.

2.1.1 Minimum Scope of Insurance

- a. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
- b. Insurance Services Office form number CA 0001 (Ed. 1/87) covering Automobile Liability Code 1 (any auto).
- c. Workers' Compensation Insurance as required by the State of California and Employer's Liability Insurance.
- d. Course of Construction Insurance covering for all risks of loss.

2.1.2 Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City. At the option of the City, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees, consultants, Construction Manager, and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expenses.

2.1.3 Other Insurance Provisions

The General or Commercial General Liability and Commercial Business Automobile Liability policies are to contain, or be endorsed to contain the following provisions:

- a. The City, its officers, officials, employees, consultants, Construction Manager, and volunteers are to be covered as insureds with respects to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance, or as a separate owner's policy.
- b. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees, consultants, construction managers and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, consultants, construction managers, and volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- c. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

**City of Stockton
Risk Management Division
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Stockton, CA 95202**

- d. This insurance shall act for each insured, and additional insured, as though a separate policy had been written for each. This, however, will not act to increase the limit of liability of the insuring company.

2.1.4 Verification of Coverage

The Contractor shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this section. The endorsements should be on forms provided by the City or on other than the City's forms, provided these endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

2.1.5 Subcontractors

The Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to all of the requirements stated herein.

2.2 Commercial General Liability Policy

The Contractor shall take out and maintain during the life of the Contract, a Commercial General Liability Policy, on an occurrence basis, with a minimum limit of not less than One Million Dollars (\$1,000,000) combined single limit for bodily injury and property damage for any one occurrence and a Two Million Dollar (\$2,000,000) annual project aggregate, for all of the following:

- a. Premises Operations, including Explosion, Collapse and Underground (X, C, and U) Coverage.
- b. Completed Operations/Products, including X, C, and U Coverage.
- c. Independent Contractors.
- d. Blanket Contractual.
- e. Deductible shall not exceed One Thousand Dollars (\$1,000).

2.3 Commercial Business Automobile Policy

The Contractor shall take out and maintain during the life of this Contract a Commercial Business Auto Policy, on an occurrence basis, with a minimum amount of not less than One Million Dollars (\$1,000,000) combined single limit for bodily injury and property damage, providing at least all of the following coverage:

- a. Coverage shall be applicable to any and all leased, owned, hired, or non-owned vehicles used in pursuit of any of the activities associated with this Contract.
- b. Any and all mobile equipment, including cranes, which are not covered under said Commercial Business Auto Policy shall have said coverage provided for under the Commercial General Liability Policy.
- c. Deductible shall not exceed One Thousand Dollars (\$1,000).

2.4 Workers' Compensation Insurance

The Contractor shall take out and maintain during the life of the Contract, Worker's Compensation and Employers' Liability insurance providing coverage for any and all employees of Contractor:

- a. The required policy shall provide coverage for Workers' Compensation (Coverage A).
- b. This policy shall provide coverage for One Million Dollars (\$1,000,000) Employers' Liability (Coverage B).

2.5 Builder's Risk Insurance

- 2.5.1 **Standard Coverage** - The Contractor shall take out and maintain in the name of the City and the Contractor until final completion and acceptance of the project, Special Form (Course of Construction) Builder's Risk Insurance including but not limited to coverage against loss or damage to the project by fire, lightning, wind, hail, aircraft, riot, vehicle damage, explosion, smoke, falling objects, vandalism, malicious mischief, collapse, and other such hazards as are normally covered by such coverage. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation and subject to stipulated value in lieu of average clause) of all construction constituting any part of the work, excluding the cost of excavations, of grading and filling of the land, and except that such insurance may be subject to deductible clauses not to exceed \$10,000 for any one loss. Such insurance will not cover loss or damage to the Contractor's equipment, scaffolding or other materials not to be consumed in the construction of the project. The insurer shall waive all rights of subrogation against the City.

2.6 Change in Terms

The Contractor shall provide immediate written notice to the City of any change in terms and conditions and/or reduction in the coverage of any nature to the insurance policies. The notice shall be sent to the location identified in Paragraph 00820-2.1.3.c, **Other Insurance Provisions**. The Contractor shall be obligated to pay any extra premium for maintaining the insurance requirements specified herein.

2.8 Occupancy

The City reserves the right to occupy existing facilities under construction or to use or occupy parts of the Work as provided for in Paragraph 00700-3.5, **City's Right to Use or Occupy**. Insurance policies shall not restrict or limit such use.

******END OF SECTION*****