

Memorandum



DATE October 25, 2011

TO Ryan O'Connor
Project Manager
Parks and Recreation

SUBJECT Risk Assessment Review For: RFQ for Construction Manager Draft: L B Houston Golf Course

Risk Management has reviewed the Scope of Services for the referenced RFQ.

1. In the event the construction manager would like a sample of City's insurance requirements, I have attached a sample insurance requirements document.

Please let me know if I can be of further assistance.

Donna Taylor
Sr. Risk Analyst

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Attachment

Insurance Requirements

SECTION A. Prior to the approval of this contract by the Owner, CONSTRUCTION MANAGER shall procure, pay for and maintain the following insurance written by companies approved by the State of Texas and acceptable to Owner. The insurance shall be evidenced by delivery to the Owner, at the address shown in **REQUIRED PROVISIONS** b.(i), certificates of insurance executed by the insurer or its authorized agent stating coverages, limits, expiration dates and compliance with all applicable required provisions. Upon request, the Owner shall be entitled to receive without expense, copies of the policies and all endorsements. OWNER HAS NO DUTY TO PAY OR PERFORM UNDER THIS CONTRACT OR AGREEMENT UNTIL SUCH CERTIFICATE HAS BEEN DELIVERED TO THE OWNER and no officer or employee shall have authority to waive this requirement.

SECTION B. The OWNER reserves the right to review the insurance requirements of this section during the effective period of the contract and to modify insurance coverages and their limits when deemed necessary and prudent by Owner's Office of Risk Management based upon economic conditions, recommendation of professional insurance advisors, changes in statutory law, court decisions or other relevant factors. The CONSTRUCTION MANAGER agrees to make any reasonable request for deletion, revision or modification of particular policy terms, conditions, limitations, or exclusions (except where policy provisions are established by law or regulation binding upon either party to the contract). Upon request by OWNER, CONSTRUCTION MANAGER shall exercise reasonable efforts to accomplish such changes in policy coverages and shall pay the cost thereof.

INSURANCE COVERAGE REQUIRED

SECTION C. Subject to CONSTRUCTION MANAGER'S right to maintain reasonable deductibles, CONSTRUCTION MANAGER shall obtain and maintain in full force and effect for the duration of this contract and any extension hereof, at CONSTRUCTION MANAGER'S sole expense, insurance coverage in the following type(s) and amounts:

1. **Workers' Compensation** with statutory limits; **Employers Liability** with minimum limits for bodily injury: a) by accident, \$100,000 per each accident b) by disease, \$100,000 per employee with a per policy aggregate of \$500,000.
2. **Commercial General Liability Insurance** including, but not limited to, Premises/Operations, Personal & Advertising Injury, Products/Completed Operations, Independent Contractors and Contractual Liability covering, but not limited to, the liability assumed under the indemnification provisions of this Contract, fully insuring CONSTRUCTION MANAGER's (or Subcontractor's) liability for injury to or death of Owner's employees and third parties, and for damage to property of third parties, with a combined bodily injury (including death) and property damage minimum limit of \$500,000 per occurrence, \$1,000,000 general aggregate.

3. **Business Automobile Liability Insurance** covering owned, hired, and non-owned vehicles, with a minimum combined bodily injury (including death) and property damage limit of \$500,000 per occurrence.
4. If CONSTRUCTION MANAGER is a licensed or certified person who renders professional services, then **Professional Liability Insurance** to provide coverage against any claim which the CONSTRUCTION MANAGER becomes legally obligated to pay as damages arising out of the performance of professional services caused by error, omission or negligent act with minimum limits of \$1,000,000 per claim, \$1,000,000 annual aggregate.
5. **Umbrella Liability Insurance** for an amount of not less than \$1,000,000 per occurrence and \$1,000,000 annual aggregate combined limit Bodily Injury (including death) and Property Damage, that follows form and applies in excess of the primary coverage required hereinabove. No aggregate shall be permitted for this type of coverage. The policy shall provide "drop down" coverage where underlying primary insurance coverage limits are insufficient or exhausted.

NOTE: If the insurance described in #2, #4 or #5 above is written on a claims-made form, coverage shall be continuous (by renewal or extended reporting period) for not less than twelve) months following completion of the contract and acceptance by the Owner. Coverage, including any renewals, shall have the same retroactive date as the original policy applicable to this contract.

REQUIRED PROVISIONS

The CONSTRUCTION MANAGER agrees that with respect to the above required insurance, all insurance contracts and certificate(s) of insurance will contain and state, in writing, the following required provisions:

- a. The term "Owner" or "City of Dallas" shall include all authorities, boards, bureaus, commissions, divisions, departments and offices of the Owner and the individual members, employees and agents thereof in their official capacities, while acting on behalf of Owner (the City of Dallas).
- b. Name the Owner as additional insured to all applicable coverages. All applicable policies must be endorsed and a copy of the endorsement sent to the City.
- c. State that coverage shall not be canceled, nonrenewed or materially changed except after thirty (30) days written notice by certified mail to:
(i) Park and Recreation Department, Attention: Sandra Meador, Contract Compliance, 1500 Marilla, 6F-South, Dallas, TX 75201
- d. Waive subrogation against the Owner, for bodily injury (including death), property damage or any other loss.
- e. Provide that the CONSTRUCTION MANAGER'S insurance is primary insurance as respects the OWNER.
- f. Ensure that all certificates of insurance identify the project in question and name the Owner department shown in **REQUIRED PROVISIONS** c.(i) as the Certificate Holder.

SECTION D. (1) Without limiting any of the other obligations or liabilities of the CONSTRUCTION MANAGER, the CONSTRUCTION MANAGER shall require each Subcontractor performing work under the contract, at the Subcontractor's own expense, to maintain during the term of the contract, levels of insurance that are necessary and appropriate for the services being performed, comply with all applicable laws and are consistent with industry standards. The Subcontractor's liability insurance shall name the CONSTRUCTION MANAGER as an additional insured. (2) The CONSTRUCTION MANAGER shall obtain and monitor the certificates of insurance from each Subcontractor. The CONSTRUCTION MANAGER must retain the certificates of insurance for the duration of the contract and shall have the responsibility of enforcing insurance requirements among its subcontractors. The OWNER shall be entitled, upon request and without expense, to receive copies of these certificates.