ARTICLE 12 -- INSURANCE

Specific Directives

1. General Liability shall be a per occurrence form and must cover the time for which the work is being performed.

2. Proof of insurance of not less than the amount required is to be provided. Written notice of cancellation of insurance shall be provided to the City/Agency not less than 30 days prior to the date of cancellation.

3. If the City/Agency is required to use Federal or State insurance policy limits, or is subject to the Federal or State tort claim limits, the limits required through this directive shall be superseded by such limits.

4. If a claim occurs where the amount of the claim exceeds the insurance policy limits required by this directive, the contractor assumes full responsibility for the payment of such claim.

5. Insurance policy limits shall not be less than those listed in this directive without the consensus of the City Manager, City Attorney and the City Risk Manger of Record. Insurance policy limits may be waived at the discretion of the City/Agency. Insurance policy limits may be required to be higher based upon the City Manager's review of the specific application for which the certificate is required.

6. Tail Coverage": If any of the required liability insurance is on a "claims made" basis, recipient shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of the Contract/Agreement, for a minimum of 24 months following the later of:

   (1) Recipient's completion of all services and the City's/Agency's acceptance of all services required under the Contract/Agreement, or

   (2) The expiration of all warranty periods provided under the Contract/Agreement. Notwithstanding the foregoing 24-month requirement, if recipient elects to maintain "tail" coverage and the maximum time period "tail" coverage is reasonably available in the marketplace is less than the 24-month period described above, recipient shall maintain "tail" coverage for the maximum time period "tail" coverage is reasonably available in the marketplace for the coverage required.

7. Definitions:

Commercial General Liability: To cover bodily injury, death, and property damage. This insurance shall include contractual liability coverage for the indemnity provided under those listed in the Agreement/Contract, personal and advertising injury liability, products liability and completed operations liability. Coverage may be written in combination with Automobile Liability Insurance (with separate limits).

Professional Liability: To cover error, omission or negligent acts related to the professional services to be provided under the Agreement/Contract.

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Automobile Liability: To cover each accident for bodily injury and property damage, including coverage for owned, hired, non-owned, leased, or rented vehicles as applicable. This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits).

Builders Risk: To cover structures being built, temporary structures at the building site, and building materials not yet having become part of the building. The building materials are covered while on the insured location, in transit, or in storage at another location.

Installation Floater: To cover materials, equipment, and personal property while in transit, installation, and until coverage terminates according to the terms of the floater. This coverage can cover the property of others in the contractor's care, custody or control that is often excluded under the contractor's general liability coverage.

Umbrella Liability: To cover excess liability over several of the insured's primary liability policies. An excess liability policy may be what is called a following form policy, which means it is subject to the same terms as the underlying policies; it may be a self-contained policy, which means it is subject to its own terms only; or it may be a combination of these two types of excess policies. Umbrella policies provide three functions:

(1) To provide additional limits above the each occurrence limit of the insured's primary policies;

(2) To take the place of primary insurance when primary aggregate limits are reduced or exhausted; and

(3) To provide broader coverage for some claims that would not be covered by the insured's primary insurance policies, which would be subject to the policy retention.

Most umbrella liability policies contain one comprehensive insuring agreement. The agreement usually states it will pay the ultimate net loss, which is the total amount in excess of the primary limit for which the insured becomes legally obligated to pay for damages of bodily injury, property damage, personal injury, and advertising injury.

Level 3 Insurance Requirements: Contracts $50,000 and under:

Commercial General Liability Per occurrence	$ 1,000,000
Workers' Compensation	Statutory Limit
Applicable Federal (e.g., Longshoremen's)	Statutory Limit
Employer's Liability	$ 500,000
Umbrella/Excess Insurance Per occurrence	$ 1,000,000
Automobile Liability Per occurrence.	$ 1,000,000
Builders Risk Insurance and Installation Floater	See Section 8

8. Should the Umbrella/Excess Insurance coverage combined with Commercial General Liability coverage not equal or exceed the minimum combined coverage shown, coverage must be increased to equal or exceed the minimum total coverage limits shown. If there is no Umbrella/Excess Insurance coverage, then the Commercial General Liability, Employers Liability, and Automobile Liability limits must be increased to equal or exceed the minimum total coverage limits shown. The Certificate of Insurance(s) and Endorsement(s) will be a

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part of the Contract and shall be provided to the City/Agency with endorsement(s) indicating that the Commercial General Liability insurance coverage is in effect which shall be primary and non-contributory with any insurance maintained by the City/Agency and include a per project aggregate (form CG 2503 05/09 or equivalent).

Such certificate(s) and endorsement(s) shall name the City/Agency as an additional insured commercial general liability, automobile liability, and umbrella liability policies. Copies of such endorsements or coverage enhancements **shall be attached to the certificate. A waiver of subrogation under the workers' compensation and commercial general liability policies shall be provided.** Thirty (30) days written notice shall be provided to the certificate holder prior to cancellation or significant modification of coverage. The Certificate of Insurance(s) and Endorsement(s) shall be provided to the City/Agency which will become a part of the Contract. Insurance Coverage provided must be underwritten by an insurance company deemed acceptable by the City/Agency. The City/Agency reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.

Contractor will purchase and maintain property insurance for the entire work at the site on a replacement cost basis. Contractor shall obtain, at Contractor's expense, and keep in effect until final acceptance of the work performed under this contract, an Installation Floater or equivalent property coverage for materials, equipment, supplies, and tools to be used for completion of the work performed under this contract. The Installation Floater shall include coverage for testing, if applicable. The minimum amount of coverage to be carried shall be equal to the full amount of this contract. The contractor will be responsible for any applicable deductibles.

9. Non-profits, community groups, and governmental entities that conduct meetings on city-owned property are exempt from the requirements of this administrative directive unless otherwise directed by the City Manager.

ARTICLE 13 -- Successors & Assignments: After the original Contract is executed, the Contractor shall not enter into any new subcontractor agreements for any of the work required under this Contract or assign or transfer any of its interest in this Contract, without the prior written consent of the Owner. The provisions of this Contract shall be binding upon and shall inure to the benefit of the parties hereto, and their respective successors and assigns.

ARTICLE 14 -- Compliance with Applicable Law: Contactor certifies that it will comply with all federal, state and local laws, ordinances and regulations applicable to this Contract, including, but not limited to all applicable requirements of federal and state civil rights and rehabilitation statues, rules and regulations, as well as all local ordinances and regulations pertaining to public contacting. Without in any manner limiting the foregoing, Contractor agrees that the provisions of ORS 279B.220, 279B.225, 279B.230, 279B.235 and 279B.270, ORS 279C.505, 279C.515, 279C.520 and 279C.530, shall apply to the Contract, to the extent that such statutes are not inconsistent with local ordinances and regulations pertaining to public contracting. Further, that ORS Chapter 656, ORS 979.350 and/or USC Section § 276A, apply to Contractor's performance under this Contract."

ARTICLE 15 -- Prevailing Wage: The Contractor certifies, and it shall be a condition of the Contractor's bond as provided by ORS 279C.800-279C.870, that in performing this Contract the Contractor will pay and cause to be paid not less than the prevailing wages as of the date of the bid, per hour, per day, and per week, for each and every person who may be employed in the performance of this

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