

CITY OF COOS BAY CITY COUNCIL
Agenda Staff Report

MEETING DATE	AGENDA ITEM NUMBER
February 19, 2013	

TO: Mayor Shoji and City Councilors

FROM: Randy Dixon, Operations Administrator
Through Jim Hossley, Public Works and Development Department Director
Rodger Craddock, City Manager



ISSUE Request for Insurance Waiver – Flower-basket Contract

BACKGROUND

The City owns 98 flower baskets and every year the City requests for quotes (RFQ) from nursery's to take our 98 baskets and plant 45 plants in each basket. The nursery is required to plant and grow bulbs in a greenhouse condition until flower bulbs reach 4" to 6" in height. The flowers are then transplanted into the baskets. By the time the basket are ready to be hung on the various downtown City light poles, the floral arrangement should be plentiful, which is usually by May 1st of each year. The contracted nursery is then required to hang the flower baskets at on the appropriate light poles throughout the City. The cost to the City for this service is approximately \$12,000 annually. One issue the City faces each year with this particular contract is that Administrative Directive No. 6 Insurance Requirements, this contract would require the following insurance:

Level 2 Insurance Requirements: Professional services contracts/agreements \$50,000 and under:

<u>Commercial General Liability</u> Per occurrence	\$1,000,000
<u>Professional Errors and Omissions liability</u> Per occurrence)	\$2,000,000
<u>Workers' Compensation</u>	Statutory Limit
Applicable Federal (e.g., Longshoremen's)	Statutory Limit
Employer's Liability	\$ 500,000
<u>Automobile Liability</u> Per occurrence.	\$1,000,000
<u>Umbrella/Excess Insurance</u> Per occurrence	\$ 1,000,000

Requiring this level of insurance per City's Administrative Directive No. 6 will increase the cost of such service by 35% or an additional \$4,000.00. The type of work and liability the City is exposed to for such services is hard to justify the insurance requirement.

ADVANTAGES:

The waiver will save the City approximately \$4000 for cost of the hanging flowers.

DISADVANTAGES:

The City is exposed to the possibility of liability should damage or injury occur associated with installation of the flower baskets. The likelihood of damage or injury is relatively low.

BUDGET:

\$12000 is budgeted this year for flower baskets. The waiver would ensure the City's cost will remain within the budget.

RECOMMENDATION

If it pleases the City Council, consider approval of the insurance waiver requirements for Cooper Goose Nursery with the exception of requiring proof of tax exempt status and **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) and list the City as an additional insured.*

ATTACHMENTS:

None