AD01.4: Revised Insurance Coverages (3 pages)

Specific Insurance Requirements – Progressive-Design-Build Entity shall have the following insurance coverages during the Progressive-Design-Build Phase:

A. Commercial General Liability: The Progressive-Design-Build Entity shall maintain commercial general liability with limits of not less than **$5,000,000** per occurrence for bodily injury and property damage liability combined. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. If the aggregate applies "per project or location", it shall so state on the certificate. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, XCU (Explosion, Collapse, Underground), and liability assumed under an insured contract. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to the Progressive-Design-Build Entity's limit of liability. The policy shall include City of Los Banos, its officers, agents, and employees, as additional insureds, but only insofar as the operations under the Contract are concerned.

1. Additional Insured coverage shall be provided in the form of an insured endorsement as broad as the CG 20 10 11 85 (Ex: CG 20 10 07 04 and CG 20 37 or CG 20 10 10 01 and CG 20 37) to the Progressive-Design-Build Entity's insurance policy. All coverage and limits available to the named insured shall be available and applicable to the additional insured. The endorsement must be attached to the certificate.

2. Deductibles and Self-Insured Retentions (for Commercial General Liability): Any deductibles or self-insured retentions 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 retentions as respects the City , its officers, agents, employees and servants or the Progressive-Design-Build Entity shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

B. Automobile Liability: The Progressive-Design-Build Entity shall maintain motor vehicle liability with limits of not less than **$5,000,000** per accident for bodily injury and property damage. The City is to be covered as additional insured with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Progressive-Design-Build Entity. The City of Los Banos, its officers, agents, and employees, as additional insureds, but only insofar as the operations under the Contract are concerned. All coverage and limits available to the named insured shall also be available and applicable to the additional insured.

C. Workers' Compensation: The Progressive-Design-Build Entity shall maintain statutory workers' compensation and employer's liability coverage for all its employees who will be engaged in the performance of the Contract, including special coverage extensions where applicable as required by the City of Los Banos. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the Progressive-Design-Build Entity, its employees, agents and subcontractors. The Progressive-Design-Build Entity shall maintain Employer's Liability coverage of **$5,000,000** per accident for bodily injury or disease.

In signing the Contract, the Progressive-Design-Build Entity shall make the following certification, required by Section 1861 of the Labor Law:

"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of the work of this Agreement."

D. Builders Risk/Installation Floater: The City shall insure all Work while in the course of construction, reconstruction, remodelling or alteration, including materials incorporated in the Work, against physical loss or damage resulting from the perils normally insured under an All-Risk Builders Risk/Installation Floater policy, including, but not limited to theft, fire and vandalism. The City will self-insure against Acts of God and natural disasters proclaimed by the State or Federal Government. The City will issue to the Progressive-Design-Build Entity a "Summary of Coverage" provided under this paragraph D. Summary of Coverage and Certificate of Insurance will be provided to Progressive-Design-Build Entity as part of the Progressive-Design-Build Phase.

1. Progressive-Design-Build Entity shall be responsible for paying a deductible not to exceed **$5,000** per occurrence in the event of loss.

2. The proceeds under the Builder's Risk/Installation Floater Insurance procured by the City will be payable to the City and Progressive-Design-Build Entity as their respective interests, from time to time, may appear.

3. City's Builders Risk/Installation Floater Insurance shall provide limited coverage for materials in transit, materials stored off-site or at staging areas, trees/shrubs/plants, and full coverage for materials at the Project site; however, the Progressive-Design-Build Entity is responsible for reviewing the "Summary of Coverage" and reporting values that exceed the limits provided within the Summary of Coverage. Notification to the City does not provide coverage. Value increases must be approved by the insurance carrier and Progressive-Design-Build Entity must have a Certificate of Insurance issued by the insurance carrier showing the increased values. Lacking confirmation from the City's insurance carrier that additional coverage was procured, Progressive-Design-Build Entity will be responsible for damages in excess of the coverage limits provided within the Summary of Coverage.

4. Nothing in these Builder's Risk/Installation Floater requirements shall be construed to relieve the Progressive-Design-Build Entity of Progressive-Design-Build Entity's responsibilities referred to under this Exhibit 2: Bonds and Insurance.

5. Builder's Risk/Installation Floater Insurance policies shall provide the following:

    a. That the policies are primary and do not participate with nor are excess over any other valid collectible insurance carried by the Progressive-Design-Build Entity.

    b. That the Insurer waives the right of subrogation against the Progressive-Design-Build Entity.

E. Professional Liability Insurance/Errors & Omissions Insurance - In the event any Contract specification requires a Progressive-Design-Build Entity to provide professional services, such as but not limited to, architectural, engineering, construction management, surveying, design, etc., a Certificate of Insurance must be provided prior to commencing work evidencing such coverage with a limit of not less than **$5,000,000** per occurrence or per claim and aggregate which shall cover claims for any damages caused by a negligent error, act or omission resulting from professional errors and omissions of Progressive-Design-Build Entity and any of its consultants in connection with the Work provided.

Insurance must be maintained, and evidence of insurance must be provided ***for at least five (5) years after completion of the contract of work.*** If coverage is cancelled or non-renewed, and not replaced ***with another claims-made policy form with a Retroactive Date prior to*** the contract effective date, the Progressive-Design-Build Entity must purchase "extended reporting" coverage for a minimum of **Five (5)** years after completion of work.

The policy's retroactive date must be displayed on the certificate of insurance and must be before the date this contract was executed or before the beginning of contract work.

F. Subcontractor Insurance – Progressive-Design-Build Entity shall cause all subcontractors engaged to perform work required of Progressive-Design-Build Entity pursuant to this Contract to maintain insurance coverage and limits meeting or exceeding all the insurance requirements stated herein or maximum amount available for each policy, whichever is greater. All Policy coverage shall be adequate for work performed under this Contract. Subcontractor's commercial general liability insurance shall include an additional insured endorsement in favor of the City, its officers, agents, and employees as respect to work performed under the Contract. For Commercial General Liability coverage subcontractors shall provide coverage with a form at least as broad as CG 20 38 04 13. The City reserves the right to accept lower limits.

END OF EXHIBIT 2