

GCWA VENDOR INSURANCE REQUIREMENTS

INSURANCE REQUIREMENTS FOR PURCHASE OF SUPPLIES, MATERIALS, AND EQUIPMENT:

Purchases of supplies, materials, or equipment where the vendor does not otherwise install, or otherwise handle the purchased item after delivery are exempt from providing proof of liability insurance to the Authority.

Vendors and Suppliers that handle, or otherwise install any supplies, materials, or equipment must have a current Certification of Insurance on file with the Business Manager. Common carriers are exempt from this requirement. Minimum insurance requirements for vendors and suppliers are:

- Commercial General Liability \$500,000
- Automotive/Truck Liability \$500,000
- Workers Comp (as required by Chapter 406 of the Texas Labor Code)

INSURANCE REQUIREMENTS FOR CONSTRUCTION AND CONSULTANT CONTRACTS:

The Authority may impose any reasonable insurance requirement on any contractor, vendor or consultant, depending on the nature of the contract and the work to be performed. The following are guidelines to set forth the insurance requirements the Authority generally requires.

For purposes of this policy, a contractor or consultant is defined as an individual, company, or corporation who provides services involving use of manpower. Hereafter the word 'Contractor' includes services performed by contractors and consultants.

The Contractor, at his own expense shall purchase, maintain, and keep in force such insurance as will protect him from claims set forth below which may arise out of or result from the Contractor's operations under the Contract, whether such operations be by himself or by any Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable.

Before commencing any of the work, the Contractor shall furnish and maintain a valid, "Certificates of Insurance" acceptable to GCWA substantiating the fact that Contractor has taken out the specified insurance for the period covered by the Agreement with an insurance carrier acceptable to GCWA. The Contractor shall require all sub-contractors to carry limits equal to or greater than stated in this agreement.

Certificate of Insurance specifications: The Insurance carrier shall be licensed or admitted to do business in the State of Texas in which the work is to be performed. The policies noted in these insurance requirements shall not be cancelled, or renewed, or materially changed in a manner that adversely affect GCWA or any additional insured until thirty (30) days prior written notice has been provided to GCWA by the Contractor or by Contractor's insurance agent/broker.

Nothing contained shall be construed as limiting in any way the extent to which the Contractor or his sub-contractor may be held responsible for payment of damages resulting from his or his sub-contractor's operations.

All property and liability insurance, including Comprehensive General, Public, and Automotive, shall be written by an insurer licensed to conduct business in the State of Texas. GCWA, its officers, agents and employees shall be named as an additional Insured.

Limits of Insurance shall be at a minimum:

(1) Commercial General Liability, (Including Contractual, Completed Operations, and Products Liability) – in the amount of \$1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. GCWA and their authorized officers, and employees shall be named as Additional Insured as respect to liability arising out of activities performed by or on behalf of Contractor; products and completed operations of Contractor, premises owned, occupied or used by Contractor.

(2) Automobile Liability Insurance – in the amount of \$1,000,000 combined single limit per accident, for bodily injury and property damage. The policy shall provide coverage for owned, hired, and non-owned coverage. If an automobile is to be utilized in the execution of this agreement, and the vendor / Contractor does not own a vehicle, then proof of hired and non-owned coverage is sufficient. Automobile Liability Limits above minimum state required limits *may be waived* if vehicle use is limited to the Authority Facility entrance parking lots and not used elsewhere on Authority premises.

(3) Worker's Compensation Insurance – The Contractor shall provide and maintain Worker's Compensation Insurance which complies in all aspects and amounts with all applicable State and Local Statutes and Ordinances and Employers Liability converge in the amount of Bodily Injury By Accident - \$1,000,000 per accident; Bodily Injury by Disease - \$1,000,000 policy limit; Bodily Injury by Disease - \$1,000,000 per employee. The insured shall agree to waiver all rights of subrogation against GCWA, it officers, officials, employees and volunteers for losses arising from work performed by the Contractor for GCWA. Texas Labor Code Sec. 409.096 provides certain exceptions that allows for a company to 'self-insure'.

(4) Professional Liability: Only applies to a Professional Engineer or Registered Architect or Registered Surveyor performing work on behalf of GCWA, shall carry professional liability coverage in the amount of five times the total Agreement fees per claim / aggregate or a \$1,000,000 per claim/aggregate, whichever is higher. Coverage shall continue for a minimum of two years after assignment under this Contract is completed. The deductible on the policy for Professional Liability shall not exceed \$25,000 unless specifically approved by the GCWA General Manager. The General Manager may reduce coverage requirements for small projects.

The Contractor shall cause his insurance company or insurance agent to fill in all information required (including names of insurance agencies, contractor, and insurance companies, and policy numbers, effective dates and expiration dates, and provide proof that GCWA is an additional insured) and to date and sign and do all other things necessary to complete and make into a valid certificate of insurance. The Certificate of Insurance shall be filed with GCWA prior to commencing any of the work and within the time otherwise specified. None of the provisions in the Certificate of Insurance shall be altered or modified in any respect except as herein expressly authorized.

The certificate(s) shall state: "Additional insured (all policies, except Workers Compensation & Professional Liability) in favor of Gulf Coast Water Authority and waiver of subrogation (all policies) in favor of Gulf Coast Water Authority".

In no case shall the use of Sub-contractors in any way alter the position of the Contractor or his sureties with relation to this Agreement. When a Sub-Contractor is used, the responsibility for every portion of the work shall still remain with the Contractor.