



EMERGENCY CONTRACT

THIS CONTRACT made for the convenience of the parties this **5th day of February, 2016** by and between **Pilot Construction Management, Inc., 850 S. Van Ness Avenue, Suite 31, San Francisco, California 94110** ("Contractor"), and the **City and County of San Francisco**, a municipal corporation, ("City"), acting through the Airport Commission ("Commission") of the San Francisco International Airport, under and by virtue of the Charter and Administrative Code of the City and County of San Francisco.

WHEREAS, the Airport Director awarded this Contract to Contractor on the [insert day] day of [insert month], 2016:

San Francisco International Airport Contract No. 8465C.76
Superbay Hangar Emergency
Fire Watch and Interim Foam System Retrofit Project

NOW, THEREFORE, Contractor, in consideration of the mutual covenants set forth in this Contract, promises and agrees to provide all services to provide fire watch and construct the Project in accordance with the requirements of this Contract, to perform the Work in good and workmanlike manner to the satisfaction of the Commission, to prosecute the Work with diligence from day to day to Final Completion, to furnish all Fire Watch Services and construction work, labor and materials to be used in the execution and completion of the Work in accordance with the Contract and as directed by the Commission, and to otherwise fulfill all of Contractor's obligations under the Contract, as and when required under the Contract to the satisfaction of the Commission.

This Contract is subject to the emergency provisions of the San Francisco Administrative Code Section 6.60. Charges will accrue only after written authorization from the Airport Director to commence the Work. Charges in excess of \$250,000 shall only be paid upon the approval of the Board of Supervisors and prior written authorization certified by the CITY Controller.

ARTICLE 1 – WORK

1.01 The Contractor agrees to perform the Work provided for in Appendix A, "Summary of Work," attached hereto and incorporated by reference as though fully set forth herein. Additional Work required for the Project shall be requested by Commission through the issuance of a written task order, to the extent possible, and such task order shall be made a part of and incorporated into the Agreement as though fully set forth herein without the need for a formal amendment to the Contract. The Airport may issue written task orders by e-mail. To the extent that the emergency allows, the task order shall include a description of the additional Work, the deliverables, schedule for performance, and cost.

1.02 The "Work" shall mean the performance by Contractor of all its responsibilities and obligations set

forth in the Contract to provide on a complete, turnkey basis, a fully functional, complete and operational Project constructed in accordance with the Contract, including but not limited to, all investigations, analyses, surveys, engineering, procurement, materials, labor, workmanship, construction and erection, commissioning, equipment, shipping, subcontractors, material suppliers, permits, insurance, bonds, fees, taxes, duties, documentation, spare parts, materials for initial operation, security, disposal, startup, testing, training, warranties, guarantees, and all incidentals. The Work shall include construction services as well as 24/7 Fire Watch Services through January 31, 2017. References to "Work" may be to items of Work.

1.03 The Work outlined in Appendix A, "Summary of Work" and all related Work requested by the Commission shall constitute the "Project" for purposes of this Contract.

1.04 Compliance with Laws.

- A. Contractor shall keep itself fully informed of and comply with the City's Charter, ordinances and regulations and other local agencies having jurisdiction over the Work, and all federal and state laws and regulations in any manner affecting this Contract, the performance of the Work, or those persons engaged therein.
- B. All construction and materials provided under this Contract shall be in full accordance with the latest laws and requirements, or the same as may be amended, updated or supplemented from time to time, of the Americans with Disability Act Accessibility Guidelines, CAL-OSHA, Federal Aviation Administration (FAA), Caltrans, the State Division of Industrial Safety of the Department of Industrial Relations, the Division of the State Architect – Access Compliance, the Public Utilities Commission of the State of California, the State Fire Marshal, the National Fire Protection Association, the San Francisco Department of Public Health, state and federal laws and regulations, and of other bodies or officials having jurisdiction or authority over same, and they shall be observed and complied with by Contractor and any and all persons, firms and corporations employed by or under it.
- C. Authorized persons may at any time enter upon any part of the Work to ascertain whether such laws, ordinances, regulations or orders are being complied with.
- D. No additional costs will be paid or extensions of time granted as a result of such compliance.

ARTICLE 2 - CONTRACT TIME

2.01 Completion Dates. Contractor shall achieve Substantial Completion of the Work in accordance with the provisions set forth in Appendix A, "Summary of Work," attached hereto and incorporated by reference as though fully set forth herein, beginning with and including the date established by the written authorization to commence Work from the Commission to Contractor, and Final Completion by January 31, 2017.

2.02 Final Completion.

- A. When Contractor considers all Work under this Contract complete, including all items of Work on any Punch List, Contractor shall notify the City in writing and request that the City issue a certificate of acceptance.
- B. Within two (2) working days of receipt of Contractor's written notice, the CITY will verify that the Project has reached Final Completion. If the City finds that the Work is not complete,

the City will notify Contractor in writing of the items that need to be completed. Contractor shall promptly take actions necessary to complete such Punch List/Final Completion items.

- C. After Contractor has completed to the satisfaction of the Commission all Punch List/Final Completion items in accordance with this Contract, the Commission will issue a written certificate of acceptance stating that the Work is acceptable, and Contractor may submit the final application for payment.

2.03 Liquidated Damages. It is understood and agreed by and between Contractor and the Commission that time is of the essence in all matters relating to this Contract and that the Commission will suffer financial loss if the Work is not completed within the above-stated Contract Time, plus any extensions thereof allowed by the Commission. The Commission and Contractor further understand and agree that the actual cost to Commission which would result from Contractor's failure to complete the Work within the Contract Time is extremely difficult, if not impossible, to determine. Accordingly, Contractor and the Commission agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay the Commission the amount \$500 for each calendar day that expires after the above Contract Time during which Work remains incomplete.

ARTICLE 3 – CONTRACT SUM

3.01 Contract Sum

- A. Contractor and the Commission agree that, upon performance and fulfillment of the mutual covenants set forth herein, the Commission will, in the manner provided by law, pay or cause to be paid to Contractor the following price(s):

1. Provide 24/7 Fire Watch Services:	Not-to-Exceed	\$1,184,634
2. Integrate existing Ultra violet Infrared Detection System:		
	Not-to-Exceed	\$ 726,330
3. Perform fire main bypass:	Not-to-Exceed	\$ 347,820
4. Modify the fire pump control system:	Not-to-Exceed	\$ 593,340
5. Provide 12 high-expansion high trajectory foam hose reels:		
	Not-to-Exceed	\$ 971,850
6. Modify domestic water system:	Not-to-Exceed	<u>\$ 542,190</u>
Total amount not-to-exceed contract amount:		\$4,366,164

Four Million Three Hundred Sixty-six Thousand One Hundred Sixty-four Dollars

- B. Contractor understands and agrees that the Contractor shall be solely responsible for providing all resources that may be necessary to provide the Work, and that the Commission shall have no obligation whatsoever to finance any part of such costs except with respect to those amounts which become due under the terms and conditions of this Contract.
- C. Retention. The Commission shall hold five (5) percent in retention from each progress payment in addition to amounts withheld as a result of any dispute or as required by law. The Commission shall release the retention with the final payment only (i) upon Final Completion as provided in paragraph 2.02, above; and (ii) the Contract is free of offsets by the City for defective work and is free of stop notices, forfeitures, and other charges.]

ARTICLE 4 – LABOR REQUIREMENTS

- 4.01 Applicable Laws and Agreements. Compensation and working conditions for labor performed or services rendered under this Contract shall be in accordance with this Contract, the San Francisco Charter, and applicable sections of the San Francisco Administrative Code, including section 6.22(E). While this emergency Contract is exempt from the requirements of the San Francisco Administrative Code Chapters 12A, 12B, 12C, and 14B, Contractor shall make every effort to comply with the requirements of these provisions.
- 4.02 Prevailing Wages. The latest Wage Rates for Private Employment on Public Contracts in the City and County of San Francisco, as determined by the San Francisco Board of Supervisors and the Director of the California Department of Industrial Relations, and, when federal funds are involved, the current General Wage Determination Decisions, as determined by the U.S. Secretary of Labor, as same may be changed during the term of this Contractor, shall be included in this Contractor and are hereby incorporated by this reference. Contractor agrees that any person performing labor in the provision of the Work shall be paid not less than the highest general prevailing rate of wages as so determined. If federal funds are involved, where the minimum rate of pay for any classification differs among State, City and Federal wage rate determinations, the highest of the three rates of pay shall prevail. Contractor shall include, in any contract or subcontract relating to the Work, a requirement that all persons performing labor under such contract or subcontract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Contractor shall require any contractor to provide, and shall deliver to City every month during any construction period, certified payroll reports with respect to all persons performing labor in the Provision of the Work.
- A. The latest prevailing wage rates are located at the following website <http://www.dol.gov/whd/govcontracts/dbra.htm> under San Francisco County and appropriate construction type activities.

ARTICLE 5 – INSURANCE AND BONDS

- 5.01 CONTRACTOR shall purchase and maintain in force throughout the Contract Time such liability and other insurance as provided in Appendix B – Insurance Requirements attached hereto and incorporated as fully set forth herein.
- 5.02 Bonds. CONTRACTOR shall furnish and maintain (1) a corporate surety bond to guarantee the faithful performance of the Contract ("Performance Bond") and (2) a corporate surety bond to guarantee the payment of labor, materials, supplies, and equipment used in the performance of the Contract ("Payment Bond"), each in an amount of not less than 100% of the Contract Sum, with CONTRACTOR as Principal and the AIRPORT as sole obligee, in the form provided by the COMMISSION (Document 00 61 13), in conformance with the bond requirements under Document 00 72 00: General Conditions, Article 10 attached hereto and incorporated by reference as though fully set forth herein. CONTRACTOR shall furnish the Performance and Payment Bonds at the time CONTRACTOR executes this AGREEMENT.

ARTICLE 6 – INDEMNITY

- 6.01 To the fullest extent permitted by law, and consistent with California Civil Code section 2782, the Contractor shall assume the defense of, indemnify and hold harmless the Commission, and all of its officers, agents, members, employees, authorized representatives, or any other persons deemed necessary by any of them acting within the scope of the duties entrusted to them, from all claims,

suits, damages, actions, losses and liabilities of every kind, nature and description, including but not limited to attorney's fees, directly or indirectly arising out of, connected with or resulting from the performance or nonperformance of the Work. The liability of Contractor shall not be limited to the amount of insurance coverages required under the Contract Documents. This indemnification shall not be valid in the instance where the loss is caused by the sole negligence or intentional tort of any person indemnified herein.

ARTICLE 7 – RIGHTS AND REMEDIES

- 7.01 General. The provisions of the Contract shall not limit the duties, obligations, rights and remedies otherwise imposed or available by law or in equity. No action or failure to act shall in any way abridge the rights and obligations of the Parties to the Contract, or condone a breach thereunder, unless expressly agreed to by the Parties in writing. All remedies provided in the Contract shall be taken and construed as cumulative; that is, in addition to each and every other remedy herein provided, the City shall have any and all equitable and legal remedies that it would in any case have.
- 7.02 No Waiver. No waiver of any breach of any provision of the Contract shall be held to be a waiver of any other or subsequent breach. The only waiver by the City shall be a waiver in writing that explicitly states the item or right being waived.
- 7.03 City's Remedies for False Claims and Other Violations. Under San Francisco Administrative Code section 6.22M, Contractor or any Subcontractor or Supplier who fails to comply with the terms of this Contract, who violates any applicable provision of Chapter 6 of the Administrative Code or rules and regulations adopted per that Chapter, who submits false claims, or who violates against any governmental entity a civil or criminal law relevant to its ability to perform under or comply with the terms and conditions of the Contractor, may be declared an irresponsible bidder and debarred according to the procedures set forth in San Francisco Administrative Code section 6.80, et seq.
- A. Additionally, Contractor or its Subcontractor or Supplier who submits a false claim may be subject to monetary penalties, investigation, and prosecution as set forth in Administrative Code section 6.80, et seq.
- B. Contractor shall include in each subcontract and purchase order for Work a clause incorporating the provisions of this Paragraph 7.03.
- 7.04 Payment Does Not Imply Acceptance of Work. The granting of any payment by City, or the receipt thereof by Contractor, shall in no way lessen the liability of Contractor to replace unsatisfactory work, equipment, or materials, although the unsatisfactory character of such work, equipment or materials may not have been apparent or detected at the time such payment was made. Materials, equipment, components, or workmanship that do not conform to the requirements of this Contract may be rejected by City and in such case must be replaced by Contractor without delay.
- 7.05. Incidental and Consequential Damages. Contractor shall be responsible for incidental and consequential damages resulting in whole or in part from Contractor's acts or omissions. Nothing in this Agreement shall constitute a waiver or limitation of any rights that City may have under applicable law.
- 7.06. Liability of City. City's payment obligations under this Contract shall be limited to the payment of the compensation provided for in Article 3 of this Contract. Notwithstanding any other provision of

this Contract, in no event shall city be liable, regardless of whether any claim is based on contract or tort, for any special, consequential, indirect or incidental damages, including, but not limited to, lost profits, arising out of or in connection with this Contract or the services performed in connection with this Contract.

ARTICLE 8 – GOVERNING LAW AND VENUE

8.01 Governing Law. The Contract shall be interpreted in accordance with the laws of the State of California and the provisions of the City's Charter and Administrative Code, including but not limited to Chapter 6 of the San Francisco Administrative Code, which is incorporated by this reference as if set forth herein in full.

8.02 Venue. All Claims, counter-claims, disputes and other matters in question between the City and Contractor arising out of or relating to this Contract or its breach will be decided by a court of competent jurisdiction within the City and County of San Francisco in the State of California.

ARTICLE 9 – MODIFICATIONS

9.01 This Contract may not be modified, nor may compliance with any of its terms be waived, except by written instrument executed and approved in the same manner as this Contract.

ARTICLE 10 – NOTICES TO PARTIES

10.01 Unless otherwise indicated in the Contract, all written communications sent by the Parties may be by U.S. mail, e-mail or by fax, and shall be addressed as follows:

To City: Jenna Castro, Airport Contract Manager
San Francisco International Airport
P.O. Box 8097
San Francisco, California 94128
Email: jenna.castro@flysfso.com

To Contractor: Lina Tan, President
Pilot Construction Management, Inc.
850 S. Van Ness Avenue, Suite 31
San Francisco, California 94110
Email: pilotemine@gmail.com

10.02 From time to time, the parties may designate new address information by notice in writing, delivered to the other Party.

10.03 The delivery to Contractor at the legal address listed above, as it may be amended upon written notice, or the depositing in any post office or post office box regularly maintained by the United States Postal Service in a postage paid wrapper directed to Contractor at such address, of any drawing, notice, letter or other communication shall be deemed legal and sufficient service thereof upon Contractor.

ARTICLE 11 – PROPRIETARY OR CONFIDENTIAL INFORMATION OF CITY

11.01 Contractor understands and agrees that, in the performance of the Work under this Contract or in contemplation thereof, Contractor may have access to private or confidential information which

may be owned or controlled by City and that such information may contain proprietary or confidential details, the disclosure of which to third parties may be damaging to City. Contractor agrees that all information disclosed by City to Contractor shall be held in confidence and used only in performance of the Contract. Contractor shall exercise the same standard or care to protect such information as a reasonably prudent contractor would use to protect its own proprietary data.

ARTICLE 12 – TERMINATION

12.01 This Contract shall, unless sooner terminated, terminate upon Final Completion of the Work.

IN WITNESS WHEREOF, the CONTRACTOR and the CITY have hereunto set their hands and seals, and have executed this AGREEMENT with 3 originals, the day and year first above written.

By my signature hereunder, as Contractor, I certify that I have read and understand the following: Pursuant to San Francisco Administrative Code §12F.5, the City and County of San Francisco urges companies doing business in Northern Ireland to move towards resolving employment inequities, and encourages such companies to abide by the MacBride Principles. The City and County of San Francisco urges San Francisco companies to do business with corporations that abide by the MacBride Principles.

I further certify that I am aware of the provisions of section 3700 of the Labor Code which require every employer to be insured against liability for worker's 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 Contract.

<p>CITY AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO</p> <p>By: _____ John L. Martin, Airport Director</p> <p>Approved as to Form:</p> <p>Dennis J. Herrera City Attorney</p> <p>By:  _____ Randy Parent Deputy City Attorney</p>	<p>CONTRACTOR</p> <p></p> <p>Authorized Signature</p> <p>Lina Tan Principal Pilot Construction Management, Inc. 850 S. Van Ness Avenue, Suite 31 San Francisco, California 94110 415-310-8235</p> <p>City Vendor Number: 83033</p> <p>Federal Employer ID Number: 27-0387364</p>
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**APPENDIX A
SUMMARY OF WORK**

PART 1 GENERAL**1.01 SUMMARY**

The summary of work contained in this Appendix A is incorporated into the contract dated February 5, 2016 and referenced as:

**San Francisco International Airport Contract No. 8465C.76
Superbay Hangar Emergency
Fire Watch and Interim Foam System Retrofit**

1.02 WORK COVERED BY CONTRACT DOCUMENTS

A. Provide all labor, materials and equipment as requested. Payment will be on a time and materials basis with complete supporting documentation. Work of this AGREEMENT comprises all the emergency activities described below at the San Francisco International Airport and ancillary Work in accordance with the terms and conditions of the Contract Documents. Specifically, the Work is as follows:

1. Provide 24/7 fire watch through January 31, 2017.
2. Integrate the existing Ultraviolet Infrared (UVIR) Detection System into the release mechanisms throughout the Superbay Hangar.

To be completed by June 30, 2016

3. Perform fire main bypass to address the leak outside the Pump House per OCI design.

To be completed by March 20, 2016

4. Modify the fire pump control system at the Pump House to respond to manual control system initiation inside the Hangar.

To be completed by July 15, 2016

5. Provide 12 high-expansion high-trajectory foam hose reels complete with new water manifold and temporary portable pump station to provide the supplemental firefighting foam for the Hangar.

To be completed by May 15, 2016

6. Modify the domestic water system to provide water for the wet fire sprinklers for the 1st, 2nd, and 4th Floor offices and aircraft parts storage areas.

To be completed by May 20, 2016

B. Unless provided otherwise in the Contract Documents, all risk of loss to Work covered by Contract Documents shall rest with Contractor until Final Completion and Acceptance of the Work. (Contractor's responsibility for damages incurred to the Work as a direct result of an

earthquake shall not exceed five percent (5%) of the Contract Sum provided that the Work damaged is built in accordance with accepted and applicable building standards and all requirements on the Contract Documents.)

1.03 WORK SEQUENCE

CONTRACTOR shall perform work as directed by the Deputy Airport Director or his designated representative in stages and at times to accommodate Airport and Airline emergency operation requirements during the construction period; coordinate construction schedule and operations with the Airport Contract Manager.

1.04 COOPERATION OF CONTRACTOR AND COORDINATION WITH OTHER WORK

- A. Should construction work, or work of any other nature, be underway by other forces or by other contractors within or adjacent to the limits of CONTRACTOR'S work, CONTRACTOR shall cooperate, schedule and coordinate with all such other contractors or forces so that any delay or hindrance to their work will be avoided. CONTRACTOR shall cooperate, schedule and coordinate with such other contractors and forces.
- B. COMMISSION reserves the right to perform other or additional work, within or adjacent to the limits of the work specified, at any time by the use of other forces. CONTRACTOR shall coordinate with the COMMISSION and any COMMISSION forces, or other forces, engaged by the COMMISSION. In the event that the performance of such other or additional work materially increases or decreases the CONTRACTOR'S costs, the work and the amount to be paid therefore will be appropriately adjusted as determined by the Deputy Airport Director of his designated representative.
- C. Limit use of premises for Work and for construction operations to allow for:
 - 1. Airport and FAA operation.
 - 2. Work by other contractors and tenants.
- D. Coordinate use of premises and access to site with other contractors, utilities, and Commission forces. COMMISSION has final authority over coordination, use of premises, and access to site.
- E. Cooperate with COMMISSION, Airlines, Tenants, and their contractors who may occupy and begin work on site prior to completion of the work of this AGREEMENT.
- F. Cooperate with contractors for other area work not included in this AGREEMENT, but which may take place during construction period.

1.05 OCCUPANCY REQUIREMENTS

- A. Whenever, in the opinion of COMMISSION, the work or any part thereof is in a condition suitable for use, and the best interest of COMMISSION requires such use, COMMISSION may take beneficial occupancy of and connect to, open for public use, or use the Work or such part thereof.
- B. Prior to the date of Final Acceptance of the Work by COMMISSION, all necessary repairs or renewals in the work or part thereof so used, not due to ordinary wear and tear, but due to

defective materials or workmanship or to operations of CONTRACTOR, shall be made at expense of CONTRACTOR.

- C. Use by COMMISSION of the work or part thereof as contemplated by this Appendix A shall in no case be construed as constituting acceptance of the work or any part thereof. Such use shall neither relieve CONTRACTOR of any responsibilities under this AGREEMENT, nor act as waiver by COMMISSION of any of the conditions thereof.
- D. COMMISSION may specify in the Contract Documents that portions of the work, including electrical and mechanical systems or separate structures, shall be substantially completed on milestone dates prior to substantial completion of all of the work. CONTRACTOR shall notify COMMISSION in writing when CONTRACTOR considers any such part of the Work ready for its intended use and substantially complete and request COMMISSION to issue a Certificate of Substantial Completion for that part of the Work.

PART 2 PRODUCTS

2.01 REFERENCE STANDARDS

For products specified by association or trade standards, comply with requirements of standard, except where more rigid requirements are specified or are required by applicable codes.

END OF SECTION

**APPENDIX B
INSURANCE REQUIREMENTS**

1.01 SUMMARY

This Appendix B includes insurance requirements, which are incorporated into the contract dated February 5, 2016 and referenced as:

**San Francisco International Airport Contract No. 8465C.76
Superbay Hangar Emergency
Fire Watch and Interim Foam System Retrofit**

1.02 CONTRACTOR'S LIABILITY INSURANCE

A. The Contractor at its sole cost and expense, and for the full term of this agreement or as otherwise required under the contract documents or any renewal thereof, will obtain and maintain in full force and effect, the following liability insurance covers with the following minimum specified coverage or coverage as required by laws and regulations, whichever is greater:

1. Worker's Compensation in statutory amounts prescribed by the State of California and Employers' Liability insurance with coverage of at least \$1,000,000 for each accident, injury, or illness for any and all employees of the contractor. The workers compensation insurance will include the following endorsements as deemed necessary by the City and County of San Francisco: U.S. Long Shore and Harbor Workers' Act benefits, and Jones Act benefits, and Federal Employers Liability Act, broad form all states, voluntary compensation, and a waiver of subrogation in favor of the City and County of San Francisco.
2. Commercial General Liability insurance with coverage of at least \$2,000,000 combined single limit per occurrence with an annual aggregate of \$4,000,000 for bodily injury and property damage. The Commercial General Liability insurance may be required to include the following endorsements as deemed necessary by the City and County of San Francisco: contractual liability, products and completed operations, motor vehicle liability within the confines of the airport, aviation and completed operations, cargo legal liability, liquor liability, premises liability, contractors pollution liability, fueling and refueling, hangar-keepers liability, and garage keepers liability, independent contractors, Explosion, Collapse, and Underground (XCU), and Broadform Property Damage.
3. Commercial Automobile Liability insurance with coverage of at least \$2,000,000 combined single limit for bodily injury and property damage, including any and all leased, owned, hired or non-owned vehicles used in the pursuit of any of the activities associated with this agreement. Where project activity is restricted to the Airport's landside (non-airfield) operation, said insurance will have a combined single limit per occurrence limit of liability of \$1,000,000, and where such project activity is located within the Airport's field side, otherwise known as Air Operations Area (AOA), the combined single limit per occurrence will be at least \$2,000,000. In the event the contractor's and/or subcontractor's commercial liability insurance specifically excludes any drivers from the coverage, said drivers will be prohibited from operating a motor vehicle on airport property in connection with the performance of this contract. The

commercial automobile liability insurance shall cover liability to the airport as third parties, for any loss to or destruction of, or damage to, airport provided vehicles employed by the contractor, or subcontractor, in the performance of this contract.

1.03 INSURANCE FOR OTHERS

For general liability, environmental pollution liability and automobile liability insurance, Contractor shall include as additional insured, the City and County of San Francisco, its board members and commissions, and all authorized agents and representatives, and members, directors, officers, trustees, agents and employees of any of them. Other parties to be protected by Contractor's liability insurance shall be as follows:

- City's consultants and/or subconsultants: N/A
- Non-City Agencies: N/A

1.04 FORMS OF POLICIES AND OTHER INSURANCE REQUIREMENTS

- A. Before commencement of the Work of this Contract, certificates of insurance and policy endorsements in form and with insurers acceptable to the City, evidencing all required insurance and with proper endorsements from Contractor's insurance carrier identifying as additional insured the parties indicated under Article "Insurance for Others" above, shall be furnished to the City, with complete copies of policies to be furnished to the City promptly upon request.
- B. Approval of the insurance by the City shall not relieve or decrease the extent to which Contractor or subcontractor of any tier may be held responsible for payment of any and all damages resulting from its operations. Contractor shall be responsible for all losses not covered by the policy, excluding damage caused by earthquake and flood consistent with section 7105 of the California Public Contract Code in excess of 5 percent of the Contract Sum, including the deductibles. All policies of insurance and certificates shall be satisfactory to the City.
- C. The Contractor and all its subcontractors shall comply with the provisions of California Labor Code section 3700. Prior to commencing the performance of work, the Contractor shall submit to the awarding department a certificate of insurance against liability for workers compensation or proof of self-insurance in accordance with the provisions of the California Labor Code. Upon request, all subcontracts shall also submit to the awarding department a certificate of insurance against liability for workers compensation or proof of self-insurance in accordance with the provisions of the California Labor Code.
- D. Liability insurance, except for professional liability insurance, shall be on an occurrence basis, and said insurance shall provide that the coverage afforded thereby shall be primary coverage (and non-contributory to any other existing valid and collectable insurance) to the full limit of liability stated in the declaration, and such insurance shall apply separately to each insured against whom claim is made or suit is brought, but the inclusion of more than one insured shall not operate to increase the insurer's limits of liability.
- E. Except for professional liability insurance, should any of the required insurance be provided under a form of coverage that includes an annual general aggregate limit or provides that

claims investigation or legal defense costs be included in such annual general aggregate limit, such general annual aggregate limit shall be **two** times the occurrence limits stipulated. City reserves the right to increase any insurance requirement as needed and as appropriate.

- F. Should any of the required insurance be provided under a claims-made form, Contractor shall maintain such coverage continuously throughout the term of this Contract, and without lapse, for a period 3 years beyond the Contract Final Completion date, to the effect that, should occurrences during the Contract term give rise to claims made after expiration of the Contract, such claims shall be covered by such claims-made policies.
- G. Each such policy shall provide that no cancellation or non-renewal shall occur without the carrier giving to the City at least 30 days' written notice prior thereto. All notices shall be made to the person identified in the Agreement in Article 10 – Notice to Parties. Such individual should be the Contractor's primary point of contact for all purposes under this Agreement.
- H. Contractor, upon notification of receipt by the City of any such notice, shall file with the City a certificate of the required new or renewed policy at least 10 days before the effective date of such cancellation, change or expiration, with a complete copy of new or renewed policy.
- I. If, at any time during the life of this Contract, Contractor fails to maintain any item of the required insurance in full force and effect, all Work of this Contract may, at City's sole option, be discontinued immediately, and all Contract payments due or that become due will be withheld, until notice is received by the City as provided in the immediately preceding Paragraph "H" that such insurance has been restored to full force and effect and that the premiums therefor have been paid for a period satisfactory to the City.
- J. Any failure to maintain any item of the required insurance may, at City's sole option, be sufficient cause for termination for default of this Contract.

1.05 QUALIFICATIONS

Insurance companies shall be legally authorized to engage in the business of furnishing insurance in the State of California. All insurance companies shall have a current A.M. Best Rating not less than "A-,VIII" and shall be satisfactory to the City.

END OF SECTION