

# Galveston County Water Control & Improvement District #1

## Addition to purchasing policy

### 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 District.

Vendors and suppliers that handle, or otherwise install any supplies, materials, or equipment must have a current Certification of Insurance on file with the Accounting Department. 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 District 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 District 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 the Contractor's own expense shall purchase, maintain, and keep in force such insurance as will protect the Contractor 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 the Contractor 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 "Certificate of Insurance" acceptable to the District substantiating the fact that Contractor has taken out the specified insurance for the period covered by the Agreement with an insurance carrier acceptable to the District. 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 perform 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 the District or any additional insured until thirty (30) days prior written notice has been provided to the District 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 the Contractor's sub-contractor(s) may be held responsible for payment of damages resulting from the Contractor's or the 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. The District, 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. The District 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 District's Facility entrance parking lots and not used elsewhere on District's 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 the District, it officers, officials, employees, and volunteers for losses arising from work performed by the Contractor for the District. Texas Labor Code Sec. 409.096 provides certain exceptions that allows for a company to 'self-insure'.

(4) Professional Liability: A Professional Engineer or Registered Architect or Registered Surveyor performing work on behalf of the District shall name the District as an additional insured on their general liability policy and provide to the District any defense provided by the policy. The 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 Contract with the District is completed. The deductible on the policy for Professional Liability shall not exceed \$25,000 unless specifically approved by the District's General Manager. The General Manager may reduce coverage requirements for small projects.

The Contractor shall cause its 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 the District 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 the District 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 Galveston County WCID#1 and waiver of subrogation (all policies) in favor of Galveston County WCID#1".

In no case shall the use of Sub-contractors in any way alter the position of the Contractor or the Contractor's 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.