

**APPENDIX B**

**WASHINGTON SUBURBAN SANITARY COMMISSION**

**PROCUREMENT OFFICE**

**INSURANCE AND BONDING**

**CONTRACT NO.**

SAMPLE

## **1. INSURANCE REQUIREMENTS**

### **A. INSURANCE:**

The Contractor shall be required to maintain insurance for the term of this Contract as specified in the "Insurance Requirements" Section herein. The Certificate of Insurance and Endorsements shall be submitted to the Contract Administrator within 10 days after receipt of the Notice of Award. All insurance required by this Appendix B must be maintained during the entire term of the contract, including any renewal or extension terms, until all work has been completed.

The Contractor shall instruct an insurance broker or agent to provide the Washington Suburban Sanitary Commission a certificate of insurance and endorsements, i.e. additional insured, waiver of subrogation, attesting to the issuance of insurance policies affording coverage as required and listed below. Please note that such certificate of insurance and endorsements along with any required bonds must be issued and then approved by the Washington Suburban Sanitary Commission prior to the issuance of a Notice to Proceed by the Contract Administrator. The following requirements apply to all work under the contract. To the extent permitted by applicable law, the Washington Suburban Sanitary Commission reserves the right to adjust or waive any insurance or bonding requirements contained in this Appendix B and applicable to the contract.

### **B. TYPES OF COVERAGE:**

The Contractor shall provide and keep in full force the following insurance noted as minimum liability limits and mandatory coverage during the term of this Contract:

**X      EQUALS MANDATORY**

**X      Commercial General Liability Insurance**      \$1,000,000 Each Occurrence

Occurrence Form With No Limiting or  
Exclusion Endorsements, Including, But Not Limited to:

**X      Blanket Contractual Coverage**

**X      Independent Contractor Coverage**

**X      Products and Completed Operations Coverage**

**X      Personal Injury Coverage**

**X      Broad Form Property Damage Coverage**

**X      Business Auto Liability Insurance**      \$1,000,000 Each Accident Limit

Applying to ALL Owned, Non-Owned and Hired Vehicles

**X      Worker's Compensation and Employer's Liability Insurance**      X      Statutory Limits of State in which work is to be performed

Employers Liability Limits

Bodily Injury by Accident - \$100,000 Each Accident

Bodily Injury by Disease - \$500,000 Policy Limit

Bodily Injury by Disease - \$100,000 Each Employee

**Umbrella Liability Insurance**      \$1,000,000 Each Occurrence

**Pollution Hazard Liability Coverage**      \$500,000 Per Occurrence,  
Claim or Loss

**Errors and Omissions Liability Coverage**      \$500,000 Per Occurrence,  
Claim or Loss

**Employee Dishonesty Coverage**      \$ \_\_\_\_\_ Limit of Insurance

**C. ADDITIONAL INSURED:**

The Commission shall be named as an additional insured (Form B broader form) on the Commercial General Liability insurance policy. The additional insured endorsement must be attached to the certificate of insurance in order to effectuate additional insured status in accordance with the Washington Suburban Sanitary Commission contractual requirements. This endorsement requirement does not apply so long as the contractor and broker/agent warrant that there is a blanket additional insured provision included in the insurance policy.

**D. SUBROGATION:**

The Workers Compensation and the Business Auto insurance must each contain the following provision: “WAIVER OF SUBROGATION APPLICABLE TO THE COMMISSION AND ITS EMPLOYEES WHILE SUCH EMPLOYEES ARE PERFORMING WORK FOR OR ON BEHALF OF THE COMMISSION.” The waiver of subrogation endorsement must be attached to the certificate of insurance in order to effectuate waiver of subrogation in accordance with the Washington Suburban Sanitary Commission contractual requirements. This endorsement requirement does not apply so long as the contractor and broker/agent warrant that there is a blanket waiver of subrogation included in the insurance policy provisions.

**E. PREMIUM PAYMENTS AND COMMISSION ACCEPTANCE:**

The premium to be expended for all of the above-referenced policies of insurance and bonds shall be paid by the Contractor. The policies of insurance, certificates of insurance and the insurance company or insurance companies issuing such bonds or policies of insurance must be acceptable to the Commission. All companies providing such coverage, for all contracts, regardless of size, must meet the following requirements:

- i) **A.M. Best Rating not less than A-.**
- ii) **Companies must be authorized to conduct and transact insurance contracts by Insurance Commissioner, State of Maryland.**
- iii) **All bid, performance and payment bonds must be underwritten by a U.S. Treasury Circular 570 listed company.**

**F. DESIGNATION AS TO APPLICABILITY:**

All certificates of insurance and applicable endorsements must be issued indicating a specific Contract number or to all work contract numbers performed by the Contractor for the Washington Suburban Sanitary Commission.

**G. NOTIFICATION OF ALTERATION OR MATERIAL CHANGE OR CANCELLATION:**

A minimum of thirty days written notification must be given by an insurer of any alteration, material change or cancellation affecting any certificates or policies of insurance as required under this Contract. Such required notification must be sent via Registered or Certified Mail to the address indicated below:

Washington Suburban Sanitary Commission  
Procurement Office, 8<sup>th</sup> Floor  
14501 Sweitzer Lane  
Laurel, Maryland 20707-5902.

**H. COMPLIANCE:**

Contractor's failure to comply with all insurance and bonding requirements set forth in this Appendix B and applicable to the contract will not relieve the Contractor from any liability under the contract. Contractor's obligations to comply with all insurance and bonding requirements set forth in Appendix B and applicable to the contract will not be construed to conflict with or limit Contractor's indemnification obligations under the contract.

## **2. BOND REQUIREMENTS**

### **A. Bid Guarantee**

Each Bidder must furnish with his Bid, a Bid Guarantee in an amount not less than 5 percent of the amount of his/her Bid when it is more than \$100,000. No Bid Guarantee is required for Bids \$100,000 or less.

The Bid Guarantee shall be in the form of a firm commitment, such as a postal money order, certified check or cashier's check, or bid bond. Bid Bonds shall be executed on the Commission Standard Bid Bond Form, included herein, by the Contractor and a corporate bonding company licensed to transact such business in the State of Maryland and named on the current "Department of the Treasury's Listing of Approved Sureties" as published in the Treasury Department Circular Number 570 or on the "Maryland Insurance Administration" companies currently licensed to conduct business in Maryland.

The Commission may hold as many of the Bid Guarantees as it may deem advisable until the execution and delivery of the Contract and Contract Bonds, whereupon all Bid Guarantees will be returned. All other Bid Guarantees will be returned within seven days after Bid opening.

### **B. Performance, Labor and Material Payment Bonds**

Provide Performance, Labor and Material Payment and Maintenance Bonds as part of the contract execution as stated in Article H herein.

For Contracts less than \$100,000 Performance, Labor and Material Payment, and Material Bonds are not required. For Contracts where the total amount bid is \$100,000 or more, the Contractor shall provide the Performance Bond and Labor and Material Payment Bond on Commission standard forms available at the Commission offices in accordance with requirements set forth in the General Conditions, for: 100 percent of the contract.

### **C. Maintenance Bond**

For Contracts where the total amount bid is \$100,000 or more and the Contractor receives notice from Washington Suburban Sanitary Commission, indicating that the work as required under the captioned Washington Suburban Sanitary Commission contract has been substantially completed by the Contractor, the Contractor will issue a Maintenance Bond for the guarantee period(s) equal to the amount of 100 percent of the performance bond for a period of one (1) year from the date of substantial completion. Such bond will indicate the Washington Suburban Sanitary Commission as the Oblige and the Contractor as the Principal.