



# SERVICE CONNECTION/SYSTEM EXTENSION

## BONDS & INSURANCE REQUIREMENTS

### I. CERTIFICATE OF INSURANCE REQUIREMENTS

The Contractor shall instruct an insurance broker or agent to provide the Washington Suburban Sanitary Commission a certificate of insurance and endorsements on an Acord 25 Form, i.e. additional insured, waiver of subrogation, attesting to the issuance of insurance policies affording coverage as required and listed below.

#### A. 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:

Commercial General liability	\$1,000,000 Each Occurrence
Commercial Automobile liability	\$1,000,000 Each Accident (combined single limit)
Workers Compensation/Employers' Liability (Statutory Limits)	Bodily Injury by Accident - \$100,000 Ea. Accident Bodily Injury by Disease - \$500,000 Policy Limit Bodily Injury by Disease - \$100,000 Ea. Employee

#### a. 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 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.

#### b. 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 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.

#### c. PREMIUM PAYMENTS AND COMMISSION ACCEPTANCE

The premium to be expended for all the above-referenced policies of insurance and bonds shall be paid by the Contractor. The policies of insurance, certificates of



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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:

1. A.M. Best Rating not less than A-
  2. Companies must be authorized to conduct and transact insurance contracts by Insurance Commissioner, State of Maryland and/or performance and payment bonds must be underwritten by a U.S. Treasury Circular 570 listed company.
- d. DESIGNATION AS TO APPLICABILITY  
All certificates of insurance and applicable endorsements must be issued indicating a specific Permit number or to all work Permit numbers performed by the Contractor for the Washington Suburban Sanitary Commission.
- e. NOTICE OF MATERIAL ALTERATION, MATERIAL CHANGE OR CANCELLATION  
A minimum of thirty days written notification must be given by an insurer of any material 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>1</sup> Floor  
1450I Sweitzer Lane  
Laurel, Maryland 20707-5902

## II. BOND REQUIREMENTS

### A. Performance, Labor and Material Payment Bonds

1. Service Connection requirements
  - a. Provide Performance and Payment securities as part of the permit application as stated in Clause 5 of the Service Connection Construction Permit.

The Applicant shall provide the Performance and Payment securities in the form of a certified check, a cash deposit, a certificate of deposit, an irrevocable letter of credit from a financial institution acceptable to the WSSC and in a form acceptable to the WSSC, a bond executed by a surety company authorized to do business in the State of Maryland, or any



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other form of security acceptable to the WSSC.

2. System Extension requirements
  - a. Provide Performance and Payment securities as part of the permit application as stated in Section 508 of the 2019 Development Services Code.

The Applicant shall provide the Performance and Payment securities in the form of a certified check, a cash deposit, a certificate of deposit, an irrevocable letter of credit from a financial institution acceptable to the WSSC and in a form acceptable to the WSSC, a bond executed by a surety company authorized to do business in the State of Maryland, or any other form of security acceptable to the WSSC.

#### **B. Maintenance Bond**

1. Service Connection Requirements

A maintenance security is only required for projects with construction costs more than \$100,000. The security shall cover a period of one-year dating from the time of substantial completion. The bond shall be in an amount equal to 50% of the performance bond.
2. System Extension Requirements

A two-year maintenance security is only required for projects with construction costs more than \$100,000. For the first year after Release for Service, the security shall be for an amount equal to 50% of the Performance security and for the second year equal to 25% of the Performance security.