

## TERMS and CONDITIONS

THE CONTRACTOR SHALL MAINTAIN THE FOLLOWING INSURANCE:

1. Workers' Compensation Insurance Coverage.

The insurance carrier shall be an admitted carrier in the State of Texas.

A. Definitions:

Certificate of coverage ("certificate") - A copy of a certificate of insurance, a certificate of authority to self insure issued by the commission, or a coverage agreement (TWCC-81, TWCC-82, TWCC-83, or TWCC-84), showing statutory workers compensation insurance coverage for the person's or entity's employees providing services on a project, for the duration of the project.

Duration of the project - includes the time from the beginning of the work on the project until the contractor's/person's work on the project has been completed and accepted by the governmental entity.

Person's providing services on the project ("subcontractor" in section 406.096) - includes all persons or entities performing all or part of the services the contractor has undertaken to perform on the project, regardless of whether that person contracted directly with the contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the project.

"Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a project. "Services" does not include activities unrelated to the project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

- B. The contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011 (44) for all employees of the contractor providing services on the project, for the duration of the project.
- C. The contractor must provide a certificate of coverage to the governmental entity prior to being awarded the contract.
- D. If the coverage period shown on the contractor's current certificate of coverage

ends during the duration of the project, the contractor must, prior to the end of the coverage period, file a new certificate of coverage with the governmental entity showing that coverage has been extended.

- E. The contractor shall obtain from each person providing services on a project, and provide to the governmental entity:
  - (1) a certificate of coverage, prior to that person beginning work on the project, so the governmental entity will have on file certificates of coverage for all persons providing services on the project; and
  - (2) no later than seven days after receipt by the contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project.
- F. The contractor shall retain all required certificates of coverage for the duration of the project and for one year thereafter.
- G. The contractor shall notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project.
- H. The contractor shall post on each project site a notice, in the text, form and manner prescribed by the Texas Workers' Compensation Commission, informing all persons providing services on the project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.
- I. The contractor shall contractually require each person with whom it contracts to provide services on a project, to:
  - (1) provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011 (44) for all of its employees providing services on the project, for the duration of the project;
  - (2) provide to the contractor, prior to that person beginning work on the project, a certificate of coverage showing that coverage is being provided services on the project for the duration of the project;
  - (3) provide the contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage showing extension

of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the project;

- (4) obtain from each other person with whom it contracts, and provide to the contractor:
  - (a) a certificate of coverage, prior to the other person beginning work on the project; and
  - (b) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current coverage ends during the duration of the project;
- (5) retain all required certificates of coverage on file for the duration of the project and for one year thereafter;
- (6) notify the governmental entity in writing by certified mail or personal delivery, within 10 days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the project; and
- (7) contractually require each person with whom it contracts, to performs as required by paragraphs (1) - (7), with the certificates of coverage to be provided to the person for whom they are providing services.

J. By signing this contract or providing or causing to be a provided a certificate of coverage, the contractor is representing to the governmental entity that all employees of the contractor who will provide services on the project will be covered by workers' compensation coverage for the duration of the project, that the coverage will be based on proper reporting or classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the commission's Division of Self-Insurance Regulation. Providing false or misleading information may subject the contractor to administrative penalties, criminal penalties, civil penalties, or civil actions.

K. The contractor's failure to comply with any of these provisions is a breach of contract by the contractor which entitles the governmental entity to declare the contract void if the contractor does not remedy the breach within ten days after receipt of the notice of breach from the governmental entity.

## 2. Comprehensive General Liability Insurance

This insurance shall:

- A. Be in an amount not less than \$2,000,000 per occurrence, with a deductible of not more than \$2,500;
- B. Include coverage for the liability assumed by the Contractor under Item F. (Indemnity);
- C. Include completed operation coverage which is to be kept in force by the Contractor for a period of not less than one year after the completion of the work provided for or performed under these specifications;
- D. Not be subject to any of the special property damage liability exclusions commonly referred to as the XCU exclusions pertaining to blasting or explosion, collapse, or structural damage and underground property;
- E. Not be subject to any exclusion of property used by the insured or property in the case, custody or control of the insured or property as to which the insured for any purpose is exercising physical control;
- F. In naming the City of Leon Valley as an additional insured on your comprehensive General Liability Insurance, the following words apply:

“Contractor shall defend, indemnify and hold harmless the City of Leon Valley, its agents and employees from and against any liability, loss, cost and expense (“Liability”) claimed by a third party (including reasonable attorney’s fees and cost of defense) resulting from Contractor’s performance of the Work to the extent that such Liability:

- (1) is attributable to bodily injury, sickness, disease or death, or to the injury to or destruction of tangible personal property; and,
- (2) is caused or contributed to by any neglect or fault of Contractor, its subcontractors, or their respective employees.

Where liability is attributable to the joint negligence or fault of Contractor and any other person (including Owner), Contractor’s duty of indemnification shall be limited to Contractor’s allocable share of such joint negligence or fault.”

- G. The Insurance company must have as a minimum a current A.M. Best rating of A.

3. Comprehensive Automobile Liability in the following amounts:

Bodily Injury	\$1,000,000 per person
	\$3,000,000 per accident

Property Damage     \$300,000 per accident

4. General Requirements for Insurance Coverage

- A. The Certificate of Insurance furnished by the Contractor shall show by specific reference that each of the foregoing items have been provided for;
- B. Certificates of Insurance required for each copy of the agreement which specifically set forth evidence of all required coverage will be filed with the City prior to the City's execution of the contract. Worker's Compensation Insurance coverage must be provided to the City prior to the City's award of the contract.
- C. The Certificates of Insurance furnished by the contractor as evidence of the Insurance maintained by the contractor will include a clause obligating the Insurer to give the City of Leon Valley ten (10) days prior written notice of cancellation or any material change in the insurance coverage.
- D. Waiver of Subrogation: The City of Leon Valley and the Contractor waive all rights and the rights of their respective insurance companies against each other for damages caused by fire or other perils to the extent such damages are covered by property insurance purchased by either party.

5. Anti-Discrimination in Employment

- A. The contractor (successful bidder) and/or any subcontractor(s), if permitted, certifies complete compliance with the Federal Civil Rights Law and the Americans with Disabilities Act, agreeing to non-discrimination based on race, age, color, religion, disability, gender, ancestry, national origin, or place of birth in employment practices, programs and services shall include but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination, rates of pay or other compensation; and selection for training, including apprenticeship.
- B. The contractor shall in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, age, color, religion, disability, gender, ancestry, national origin, or place of birth.
- C. Upon request by the City of Leon Valley, the contractor shall furnish all information or reports required to investigate his/her payrolls and personnel records which pertain to current contract(s) with the City for purposes of ascertaining compliance with this non-discrimination certification.

6. General Independent Contractor Clause

This agreement does not create an employer relationship between the parties. It is the parties' intention that the contractor will be an independent contractor and not the City of Leon Valley employee for all purposes, including, but not limited to, the application of the Fair Labor Standards Act minimum wage and overtime payments, Federal Insurance Contribution Act, the Social Security Act, the Federal Unemployment Tax Act, the provisions of the Internal Revenue Code, Texas workers' compensation law and Texas unemployment insurance law. The contractor will retain sole and absolute discretion in the judgment of the manner and means of carrying out the contractor's activities and responsibilities hereunder. The contractor agrees that it is a separate and independent enterprise from the City of Leon Valley, that it has a full opportunity to find other business, that it has made its own investment in its business, and that it will utilize a high level of skill necessary to perform the work. This agreement shall not be construed as creating any joint employment relationship between the contractor and the City of Leon Valley and the City of Leon Valley will not be liable for any obligation incurred by the contractor, including but not limited to unpaid minimum wages and/or overtime premiums.

7. Hot Goods Clause

The bidder hereby agrees that in the execution of the work he or she will comply with all applicable provisions of Sections 6, 7, and 12 of the Fair Labor Standards Act of 1938, as amended, and that there will be no violations of the "hot goods" or "hot cargo" provisions of the Act involving restrictions on the use of underage employees.

8. Fire Safety

The contractor shall comply with all City regulations including those regarding Fire Safety. In this regard he shall comply with all instructions of the City Fire Marshall during the course of the work.

9. Hazard Communications Act

In compliance with Article 5182b, Texas Revised Civil Statutes, all employers are required to train and educate employees on the safe use and handling of hazardous materials that employees may be exposed to in the work place. The City of Leon Valley's Fire Chief is designated as the City's HazComm Officer. Contractors of the City are also required to comply with the requirements of this Act.

Contractors are entitled to a copy of the City's workplace chemical list to which the contractor, its employees and agents may be exposed to in the workplace. Contractors are also entitled to a copy of all MSDS sheets for any hazardous chemicals which the City may have in the work place. Contractors have the obligation to inform its employees and agents of all of these requirements. Contractor shall furnish the City

with the MSDS sheets for any hazardous chemical brought into the City workplace that City employees will have exposure to. Contractors shall sign the Attachment 5, "Hazard Communications Contractor Acknowledgment" certifying receipt of this information.

HAZARD COMMUNICATIONS  
CONTRACTOR ACKNOWLEDGMENT

IT IS HEREBY UNDERSTOOD AND AGREED THAT \_\_\_\_\_, a Contractor under Contract to dated the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_, with the City of Leon Valley has received from the City notice of the Contractor's rights under the Texas Hazards Communications Act, the chemical list and material safety data sheets for hazardous chemicals that will be present in the City work area.

\_\_\_\_\_, Contractor with the City of Leon Valley, understands our obligation to inform our employees and agents of the information provided. Material safety data sheets have been received for the following chemicals.

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CONTRACTOR NAME: \_\_\_\_\_

NAME OF AUTHORIZED AGENT: \_\_\_\_\_

TITLE OF AUTHORIZED AGENT: \_\_\_\_\_

SIGNATURE OF AUTHORIZED AGENT: \_\_\_\_\_

DATE: \_\_\_\_\_