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## Carver County – Administrative Policy Manual

# Contracts and Purchasing

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### Purpose

It is the goal of Carver County that a sound and responsive public contracting system should:

- Simplify, clarify and update contracting efforts to reflect the market place and industry standards;
- Enhance public confidence through ethical and fair dealings, honesty and good faith between the County, the business community and other governmental jurisdictions;
- Promote efficient use of local government resources;
- Allow impartial and open competition protecting the integrity of the public contracting process and competitive nature of public procurement;
- Provide a public contracting structure that can take full advantage of evolving procurement methods as they emerge while preserving competitive bidding as the standard for public contracting.

### Policy

#### **Administration**

These Contract Administration Policies and Procedures shall be administered by Administrative Services who shall develop and provide the necessary forms, procedures, and instruction for the implementation of these Policies and Procedures, in conjunction with the County Attorney's Office and Risk Management.

Copies of these rules and policies shall be made available to all employees and appointing authorities and will be made available on the County's intranet. Printed copies of these policies shall be on-file in the County Administrator's Office and shall be made available for public review upon request.

### **Approval of New Orders**

New or amended policies/procedures may be submitted to the County Administrator and then, if appropriate, to the Board of County Commissioners for approval.

### **Application**

Unless otherwise stated in a specific policy, Carver County Contract Administration Policies and Procedures shall apply to all County Divisions and Departments.

### **Responsibility**

County staff is responsible for developing all contracts in accordance with this policy and to ensure a full awareness and understanding by affected employees.

### **References for the Administrative Policy Manual - Contracts**

Minn. Stat. § 373.01 - Delineates powers and duties of a county, including requirements for bidding on contracts for the sale, lease, or conveyance of real and personal property owned by the county

Minn. Stat. § 373.02 - Delegates authority to execute written documents to Board Chair and Board Clerk (County Administrator)

Minn. Stat. § 375.21 - Addresses bid and bond requirements for work or labor purchase of furniture, fixtures, other property; construction or repair of roads, bridges, or buildings

Minn. Stat. § 471.345 - Uniform Municipal Contracting Law

Minn. Stat. § 471.59 - Provides basic statutory framework for joint operations between units of government

Minn. Stat. § 160.17 - Road construction requirements

Minn. Stat. § 162.04 - Final payment on applicable highway projects

Minn. Stat. § 290.97 - Withholding

Minn. Stat. § 574.26 - Performance and payment bonds requirements for contracts in excess of \$75,000 for the doing of any public work

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## **A. Contract Development**

The purpose of a written contractual agreement is to protect the County from adverse legal and financial exposure among other things. In most cases a formal written agreement shall be required. Depending on the scope of work, value of a particular level of effort (dollars involved) as well as the associated risk, the contract originator may follow one of several processes as outlined below.

### 1) Contract Approval Authority:

- a. Signature Delegation: Unless otherwise stated in this policy, the following parties have signature authority based on the value of the contact including but not limited to professional service agreements, general contracts, grants, joint power agreements, etc.:

- i. Under \$2,500: Division Director
- ii. \$2,50.01 - \$25,000: County Administrator
- iii. Over \$25,000.01: County Board

This significant delegation of contracting authority carries with it the equally significant responsibility of exercising sound judgment and discretion. In particular, authorized officials must exercise sound discretion to recognize circumstances in which a proposed contract should be brought to the specific attention of the County Board through the use of a Board Action.

**b. Delegation of Social Services Contracts:** The Community Social Services Director has the authority to execute the following types of contracts:

- i. **Current Purchase of Service’s Contracts:** Contracts renewed on an annual basis with vendors where the significant adjustment is the rate.
- ii. **Medical Assistance Waiver Contracts:** Contracts with the County required by the state, that allow vendors to bill for services provided to clients on Medical Assistance Waivers. Includes both new and renewal contracts.
- iii. **Subcontractor Contracts:** These are usually contracts with Hennepin County, where Hennepin County contracts with the state and passes on Carver County’s share of the revenue for Employment and Training clients.
- iv. **Letter of Agreements for Home Modification and Supplies and/or Equipment:** For Carver County Alternative Care, elderly Waiver, Community Alternatives for Disabled Individuals, Community Alternative Care and Traumatic Brain Injury Waiver Programs.
- v. **Amendments to contracts that are made solely to update with current legislatively mandated rates.**

New contracts and existing contracts that include new services or significant changes in the relationship with the County are not part of this delegation.

- c. **Annual Contract Renewals:** Contracts renewed annually where there is substantially no change in the provisions of the contract except the contract is updated to reflect the current rate and financial terms is delegated to the County Administrator or his/her designee.
- d. **No Dollar Value:** Contracts with no dollar value can use the LOA process as listed above in item a.
- e. **Sheriff Off Duty Contracts:** If no substantive changes are made with the exception of date, parties, location, etc., these contracts do not have to go through the normal contract review process and can be approved by the Sheriff or the Sheriff’s designee. The contract form will be reviewed on an annual basis by the County Attorney’s Office and Risk Management.

- f. Vehicle Titles: The County Administrator or designee is delegated the ability to sign vehicle titles for County owned vehicles. The titles do not have to go through the contract review process.
- g. On-Call Services Work Orders: If the County enters into an on-call services agreement (see types of agreements in section 2), the Division Director is delegated the ability to sign the work orders.
- h. Contract Amendments: Individual amendments to a contract which are less than 5% of the original contract amount or \$25,000, whichever is greater are delegated to the County Administrator.
  - i. Grants: A Division Director is delegated the authority to sign grant applications. The delegation of grant contracts follows the signature delegation outlined in section “a” above.
  - j. Request for Proposal/Bid: A Division Director is delegated the authority to authorize the RFP/B process after reviewing the solicitation document with the County Attorney’s Office. The contract that results from the process must follow the contract authority outlined in this policy.

2) Types of Agreements: Contact the County Attorney’s Office or Risk Management for assistance in determining the most appropriate contractual course of action to take. It is expected other standard contracts will be developed as the need arises. Further, there will be periodic contractual language updates to the standard professional services contract. These standard contracts will be developed by Administrative Services with guidance from the County Attorney’s Office and Risk Management.

- a. Professional Services Agreement: This is the most common contract type and can be used for a variety of professional services.
- b. On-call Services: On-call services are driven by a professional services contract which is written in such a way that allows for work orders to be performed within the scope of the contract.

Examples of On-call for Professional Services contracts are:

- Engineering Consultants
- Plumbers
- Electricians
- Small Architectural Service Contracts
- Fencing Contractors

Typically a minimum of three vendors should be selected to be on-call for each area. This creates competition amongst consultants, allows for flexibility in scheduling and the appropriate consultant can be chosen based on expertise.

The County and each vendor enter into a standard general professional service agreement. Once these documents pass through the normal internal contract review process, then under the umbrella of that contract, work orders are issued to perform work within the scope of the contract. For example, the County would enter into a broad professional services agreement with an electrician. Then as the County needs the service of an electrician a work order, instead of a contract, can be agreed upon and work can commence.

A work order should include the scope of work to be performed, including the timeline, and the agreed cost to perform such work.

On-call consultants should be chosen based on pre-qualifying criteria such as similar work performed, technical expertise, availability, references, etc. Further, a not-to-exceed dollar amount should be established in the contract.

- c. Contract Amendment: The intent of a contract amendment is to add similar work that is not covered in the original contract and/or extend the duration of the contract.

When routing the amendment through the approval process, a copy of the original contract and an up to date certificate of insurance should be attached.

In order to amend a contract, the contract must be current and have a similar scope.

- d. Joint Powers Agreement (JPA): Joint Powers Agreements are intended to be used when two or more governmental units enter into an agreement to jointly exercise a power or accomplish a common goal. This authority is granted under Minn. Stat. § 471.59.

The Statute defines a government unit to include every city, county, town, school district, or other political subdivision of this state or another state, as well as another state, University of Minnesota, nonprofit hospital, an agency of the State of Minnesota or of the United States of America, and any instrumentality of a government unit. Instrumentality of a government unit means an instrumentality having independent policy making and appropriating authority.

A joint powers entity is to be formed by governmental units that exercise a common power.

Examples of different types of Joint Powers Agreements are:

- Joint powers entity: The joint operation is governed by a joint board, which has the power to receive and expend funds, enter contracts, etc.
- Service contract: One governmental unit purchases a service from another.
- Mutual aid: Two or more governmental units agree to assist each other when needed.
- Shared resources: Two or more governmental units share the use of facilities.
- Shared personnel: Two or more governmental units share an employee.

Departments are encouraged to contact the County Attorney's Office early in the JPA development process.

At a minimum a JPA should include the following contractual elements:

- State the method by which the purpose sought shall be accomplished or the manner in which the power shall be exercised
- State the purpose of the agreement and the power to be exercised
- Be governed by all the statutory or charter provisions applicable to any one of the parties for the exercise of the power which is subject to the agreement.
- Identify who governs the entity. When the agreement provides for the use of a joint board, the board shall be representative of the parties to the agreement. Residence requirements for holding office in any governmental unit shall not apply to any officer appointed to carry out such an agreement.
- Provide for disbursements of public funds to carry out the purpose of the agreement.
- Provide that contracts let and purchases made under the agreement conform to the requirements applicable to contracts and purchases of any one of the parties to the joint powers agreement.
- Provide for the strict accountability of all funds and must require reports on all receipts and disbursements.
- Provide for the distribution of any property acquired as a result of the joint exercise of powers.
- Provide for the return of any surplus monies in proportion to contributions after the purpose of the agreement is completed.
- Based on changes to the Joint Powers statute in 2006 the agreement should specify that "pursuant to Minn. Stat. § 471.59, subd. 1a, none of the participating entities are responsible for the acts or omissions of other participating entities."
- When a new and separate legal entity is created, the participants must relinquish control to the new entity. The new entity must be empowered to make decisions for the group subject to by-laws or other operational guidelines.

Provisions that are optional but prudent to include in a JPA are:

- A defined duration and termination procedures. The entity may operate for a definite term or until rescinded or terminated in accordance with its terms.
  - The identity of the member of the board and the methods for their selection and replacement. As noted above, the board must be representative of the parties to the agreement.
  - Provisions for the disbursements of public funds or other funding mechanisms to carry out the purposes of the agreement.
  - Provisions for one of the governmental units to exercise the powers of the joint powers entity on behalf of all of the members.
  - The governing statute or charter provisions applicable to any one of the parties for the exercise of the power which is subject to the agreement.
  - If applicable, provide that contracts may be let and purchases made under the agreement and that such activity must conform to the requirements applicable to contracts and purchases of one of the parties to the joint powers agreement.
  - Specify whose rules will govern employees, who and how assigned personnel are supervised, whose workers compensation applies, and details of that nature.
  - A section with definitions.
  - When/how notices to be given to participating members.
  - Who is responsible for damage or loss to equipment being used while acting in the scope of the agreement.
  - A statement as to adherence to the Minnesota Government Data Practices Act.
  - Include a hold harmless and indemnification provision.
- e. Grants: The County recognizes that grant funding provides significant resources to enhance the County's ability to provide services and activities not otherwise available. The County will seek grant funding for activities that are determined to further core County functions or that provide for activities, which are in the best interest of our citizens.

Prior to acceptance of any funding or expenditure of funds on any grant activity, a written contract is required.

County officials are responsible for compliance with all aspects of grant requirements including monitoring to ensure that grant activities are properly accomplished, grant accounting and tracking, reporting requirements and ensuring that requests for reimbursement are accurate and submitted on schedule or as soon as possible after completion of grant activities.

Typically a project administrator should be designated to manage all grant activities, ensuring compliance with all grants terms and requirements, including compliance by sub-grantees.

Division directors need to communicate and coordinate with other divisions/departments if the grant application is expected to impact their operations. For example, if an FTE is being requested, contact IT and Facilities as it relates to planning for technology, phone and space considerations. Divisions should also include in the application any indirect costs including office space/furniture and technology requirements.

- f. Letter of Agreement (\$2,500 and under): If a contracted effort is below the \$2,500 threshold, budget is available and there is limited risk to the County, a Letter of Agreement (LOA) may be utilized. Signature authority will be with the Division Director. Refer to the intranet for an example. Further, the LOA:
- i. May not be used for contract amounts exceeding \$2,500
  - ii. May not be used for services where the vendor will have direct access to private, confidential, non-public and protected non-public data;
  - iii. May only be used where the division has determined after consultation with Risk Management that the risk is minimal;
  - iv. May be used for a limited duration, not in excess of one (1) year.
  - v. May not be used for services for which the contractor is required to be licensed.

If the above conditions are not met, a professional services agreement should be utilized.

Examples of potential Letters of Agreement include:

- Renting conference rooms
- Guest speakers
- Renting equipment
- Sheriff's Office off duty contracts

If any language, other than as outlined in bold on the LOA, is changed than the County Attorney's Office will need to review. Assuming there are no language changes to the LOA, the County Attorney's Office does not need to review the document. However, Risk Management will need to review the LOA and associated scope of work.

A letter of agreement developed by a party other than the County must be reviewed by the County Attorney's Office and Risk Management.

### 3) Bidding Process/Request For Proposal



The Uniform Municipal Contract (UMC) Law governs contracts entered into by a municipality for the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair, or maintenance of real or personal property. The Uniform Municipal Contract Law requirements are according to the following:

- a. Contracts over \$100,000: Sealed bids must be solicited by public notice.
- b. Contracts from \$25,000 to \$100,000: The contract may be made either upon sealed bids or by direct negotiation by obtaining two or more quotations.
- c. Contracts less than \$25,000: the contract may be made either upon quotation or in the open market.

Carver County follows the dollar requirements as established under the Uniform Municipal Contracting Law (Minnesota State Statute 471.345). Therefore, if the dollar amounts are different between this policy and the Municipal Contract Law, the amounts and requirements of the law should be followed.

Carver County Divisions can make purchases using cooperative purchasing contracts, including state and other county contracts, if they meet the requirements established under the Uniform Municipal Contracting Law. Divisions must document these purchases and ensure that the terms of the cooperative purchasing agreement are including in the County's purchase.

Other Minnesota Counties can purchase under Carver County contracts if the bidding document and contract allows for cooperative purchasing.

Carver County encourages the use of best value as outlined in the Uniform Municipal Contracting Law (Minnesota State Statute 471.345) and described in Minnesota State Statute section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). As an alternative to the procurement method, Carver County may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals. Taking into account the specifications of the request for proposals, the price and performance criteria and described in the solicitation document. Performance criteria, may include, but are not limited to: (1) the quality of the vendor's or contractor's performance on previous projects; (2) the timeliness of the vendor's or contractor's performance on previous projects; (3) the level of customer satisfaction with the vendor's or contractor's performance on previous projects; (4) the vendor's or contractor's record of performing previous projects on budget and ability to minimize cost overruns; (5) the vendor's or contractor's ability to minimize change orders; (6) the vendor's or contractor's ability to prepare appropriate project plans; (7) the vendor's or contractor's technical capacities; (8) the individual qualifications of the contractor's key personnel; or (9) the vendor's or contractor's ability to assess and minimize risks.

Please note that professional services do not fall under the UMC and therefore technically do not have to follow those requirements, however it is a good policy to

follow regardless of what is purchased. If a Department has any questions about the requirements under the UMC they should contact the County Attorney's Office.

4) Develop the Contract:

Carver County has standard contract language that is preferred for all agreements. The initiating department shall develop the scope of services and include all pertinent information and attachments. Contracts received from the vendor/provider shall be substituted using the County's format whenever possible. An insurance certificate (information regarding the type of coverage a vendor/provider carries) is required for all agreements except for select Letters of Agreements. Certificates must list Carver County as an Additional Insured in all areas including Excess Umbrella except Professional Liability and Workers Compensation. Request the insurance certificate at an early stage in the contract process to avoid delays. The standard Carver County contracts will be available either on the shared drive or on the County's intranet.

5) Contract Review Process:

- a. Vendor reviews and signs contract.
- b. Contract information is submitted into the contract review site on SharePoint.
- c. County Attorney's Office and Risk Management review the contract. (note that Attorney does not review LOAs.
- d. If the contract requires County Board approval, while the County Attorney's Office and Risk Management are reviewing, an RBA can be submitted.
- f. e. Division Director or designee reviews the contract. In those rare instances that agreement cannot be reached between the County Attorney's Office and Risk Management and the vendor, the Division Director will ultimately decide the next course of action. The Division Director cannot choose to enter into an agreement that is illegal but may choose to enter into an imperfect agreement if there is a strong business case for doing so. Any negative effects of such decisions will be the responsibility of the Division Director. Final approvals are obtained per section 1. Contract Approval Authority.
- g. Contracts are entered into OnBase.

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## **B. Competitive Bidding Requirements**

1) Statutory Requirements

Three statutes identify which County contracts are subject to competitive bidding:

- a. Minn. Stat. § 373.01, delineating the powers and duties of a county, including requirements for bidding on contracts for the sale, lease or conveyance of personal property over \$15,000 and real property owned by the County;

- b. Minn. Stat. § 375.21, addressing bid requirements for county contracts for work or labor, or to purchase furniture, fixtures or other property, or to construct or repair roads, bridges or buildings; and
- c. Minn. Stat. § 471.345, Uniform Municipal Contracting Law.

These statutes identify purchases or conveyances for which competitive bids must be sought, and establish the basic procedural framework for the bidding process.

## 2) Situations Generally Requiring Bid Solicitations

- a. If the amount of a contract is estimated to be over \$100,000, competitive bidding must be solicited for:
  - Work or labor, or to purchase furniture, fixtures or other property, or to construct or repair roads, bridges or buildings (Minn. Stat. § 375.21), or
  - The sale or purchase of supplies, materials, equipment or the rental thereof (except see 3. below), or the construction, alteration, repair or maintenance of real or personal property. (Minn. Stat. § 471.345, subd. 2)
- b. Competitive bidding must generally be solicited for the sale, lease, or conveyance of real estate owned by the county. (Minn. Stat. § 373.01, subd. 1(4)) (Exceptions noted below)
- c. Competitive bidding must be solicited for rental of equipment to be more than \$60,000. (Minn. Stat. § 471.345, subd. 5a). “Rental” includes lease, lease-purchase agreements or any other arrangement whereby actual title to the property does not automatically pass to the County upon payment of all sums due.

## 3) Minimum Requirement

The above are legal minimums. Competitive bids may be solicited even though not legally required; however, once competitive bids are solicited, the County must follow the bid specifications in the selection process.

## 4) Estimating the Contract Price

The estimated contract price is determined to be over the dollar limitations set forth above if the individual contract price to be paid or received is over the amount. In multi-year contracts the estimated contract price is determined to be over the dollar limitations set forth above if the total contract amount is over the limitations, i.e., do not divide into a per year amount.

## 5) Estimating the Contract Price for Emergency Contracts

A per unit cost (or per hour cost) should be negotiated with the vendor. While a not-to-exceed dollar amount is typically identified regarding contractual efforts, this is not the case in an emergency contract because the costs will vary depending on the type of event and may limit a critical service during an emergency. The costs will be contained through the discretion of the emergency management team which includes the County Administrator.

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### **C. Advertising Requirements**

All advertising for bids must be coordinated by the Division originating the contract.

- a. Two weeks published notice in a “qualified legal newspaper” of the County must be given for the purchase of personal property or for work and labor if the amount of the contract is estimated to exceed \$100,000. Notice must state the time and place where proposals will be received. (Minn. Stat. § 375.21)
- b. Three weeks published notice in a qualified legal newspaper of the County must be given for construction or repair of roads, bridges, or buildings if the amount of the contract is estimated to exceed \$100,000. Notice must state the time and place of awarding the contract and contain a brief description of the work. (Minn. Stat. § 375.21)
- c. Three consecutive weeks published notice in the official newspaper of the county and once in a newspaper of general circulation in the area where the property is located must be given for the sale, lease, or conveyance of real estate owned by the County. Notice must state the time and place of considering the proposals, contain a legal description of any real estate and a brief description of any personal property. (Minn. Stat. § 373.01, subd. 1(4))
- d. Three consecutive weeks published notice in the official newspaper of the county and once in a newspaper of general circulation in the area where the property is located must be given for the sale of personal property the value of which is estimated to be \$15,000 or more. Notice must state the time and place of considering the proposals and contain a brief description of any personal property. (Minn. Stat. § 373.01, subd. 1(4))
- e. Published notice in a qualified legal newspaper of the County must be given for contracts for the rental of equipment if the amount of the contract is

estimated to exceed \$60,000. Notice must state the time and place where proposals will be received. (Minn. Stat. § 471.345)

#### Publication of Request for Bids

- a. Newspaper. “Official County Newspaper” and “qualified legal newspaper” are defined by Minn. Stat. § 331A.01, subd. 8. Each year the County Board designates an official County newspaper.
- b. Successive Weeks. Publication for “successive” or “consecutive” weeks means publication on any day of a calendar week for the number of weeks specified. There must be at least five days between each weekly publication. At least the number of weeks specified for publication must lapse between the first publication and the day of the event for which publication is made (Minn. Stat. § 645.13)
- c. Timing. Unless otherwise specified by statute the last publication must occur not more than 14 days or less than 7 days before the event. (Minn. Stat. § 331A.05, subd. 2(b)) Nothing in the statutes prohibits exceeding the weeks for publication outlined above.

#### Emergencies

- a. Contracts for purchase or repairs may be made without advertising for bids in case of an emergency arising from the destruction or impassability of roads or bridges by floods, rain or snow, or other casualty or from the breaking or damaging of any property in the County if the public health, safety, or welfare would suffer by delay. (Minn. Stat. § 375.21)
- b. Contracts for repairs may be made without advertising for bids in case of an emergency arising from breakage, damage or decay in county property that cannot be allowed to wait for the time required to advertise for bids, if the work is authorized by a majority of the County Board of Commissioners and the action is ratified and recorded in the official proceeding of the board at its next meeting. (Minn. Stat. § 375.22)

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### **D. Exceptions to Competitive Bidding**

#### Contracts Awarded Other than By Bid (Exceptions to the Competitive Bidding Requirement)

- a. Contracts for the sale or purchase of supplies, materials, equipment or rental thereof or of the construction, alteration, repair or maintenance of real or personal property.

- i. If the contract amount is estimated to be between \$25,000 and \$100,000,  
it may be competitively bid or handled by direct negotiation by obtaining, where possible, two or more price quotations. (Minn. Stat. § 471.345, subd. 4)
    - ii. If the contract amount is estimated to be \$25,000 or less, the governing body has discretion to either base the contract award on two or more quotations, where practical, or purchase in the open marketplace. (Minn. Stat. § 471.345, subd. 5)
  - b. Contracts for the rental of equipment estimated to be \$60,000 or less may be made by direct negotiation by obtaining two or more quotations when possible. (Minn. Stat. § 471.345, subd. 5a)
  - c. Real Property. The County does not have to seek competitive bids for sale, lease or conveyance of real property owned by the County in the following circumstances (Minn. Stat. § 373.01, subd. 1(4)):
    1. The lease of a residence acquired for the furtherance of an approved capital improvement project.
    2. Leases which do not exceed \$15,000 per year.
    3. The County may, when acquiring real property for county highway right-of-way, exchange parcels of real property of substantially similar or equal value.
  - d. Non-Competitive/Professional. Non-competitive products do not require competitive bidding. (Minn. Stat. § 471.36) This type of contract is one where there is a single-source of supply or service contracts of a confidential, artistic, technical or professional nature where a personal relationship with the contractor is necessary. For example, the services of an architect, attorney, computer programmer, counselor, or psychiatrist would be considered to be of a professional nature and therefore would not require competitive bidding.
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## **E. Insurance and Indemnification Requirements**

Any and all claims that arise or may arise against the Contractor, its agents, servants or employees as a consequence of any act or omission on the part of the Contractor or its agents servants or employees while engaged in the performance of the Contract shall in no way be the obligation or responsibility of the County. The Contractor agrees it will defend, indemnify and hold harmless the County, its officers and employees against any and all liability, loss, costs, damages, consequential damages, expenses, claims or action including attorney fees which the County, its officers or employees may hereafter sustain,

incur, or be required to pay arising out of the Contractor's acts, omission, performance or failure to adequately perform its obligations pursuant to this contract.

A professional services independent contractor must provide the following insurance requirements (with the exception of select LOAs):

It is understood and agreed that the County's liability shall be limited by the provisions of Minnesota Statute § 466 and/or other applicable law.

- 1). Commercial General Liability Insurance Policy with minimum limits of \$1,500,000 combined single limit (CSL), with coverage pertaining to premises operations. In the event Combined Single Limits Coverage is not secured by the contractor, the following minimum limits apply:

- \$3,000,000 Aggregate
- \$3,000,000 Products and Completed Operations Aggregate
- \$1,500,000 Personal Injury and Advertising Injury
- \$1,500,000 Each Occurrence
- \$ 100,000 Fire Damage Limit
- \$ 5,000 Medical Expense

The policy should be written on an "occurrence" basis and not a "claims-made" basis.

- 2). Automobile Liability Insurance including owned, non-owned, and hired vehicles in an amount not less than \$1,500,000 combined single limit (CSL) for total bodily injuries and/or damages arising from any one accident. If automobiles are not used, Risk Management must receive a letter from the employee stating this.

- 3). Professional Liability Insurance (when required) the following minimum limits apply:

- \$3,000,000 Aggregate
- \$1,500,000 per claim

- 4). Excess Umbrella Liability Policy will be additionally required if any of the above policies have lower limits than stated.

- 5). Worker's Compensation Insurance.

- 6). Also include standard contract language for Indemnification and Liability.

Prior to the effective date of this Agreement, and as a condition precedent, the Contractor will furnish the County with an original Certificate of Insurance listing the County as an "Additional Insured" in all coverage areas (including Excess Umbrella Liability or Excess Umbrella follows form language) except Worker's Compensation and Professional Liability

The County Board may approve different insurance requirements based upon the level of specific risk as established and recommended by the Risk Management Department.

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## **F. Bonds**

For contracts greater than \$75,000, a performance bond and a payment bond are required from the contractor. This requirement, with a few exceptions, applies to all contracts for “the doing of any public work.” The performance bond helps ensure that the work will be completed according to the terms of the contract. The payment bond helps ensure that subcontractors, and people who provide labor and materials, are paid.

The bonds must be equal to or greater than the contract price. If the contract price increases after the bonds are provided, bonds for the amount equal to or greater than the dollar value of remaining work should be in place.