

**SAMPLE
CONSTRUCTION
INSURANCE REQUIREMENTS**

EXHIBIT A

BONDS AND INSURANCE REQUIREMENTS AND FORMS

1. BONDS

- A. The Contractor shall furnish bonds covering the faithful performance of the Contract, payment of all obligations arising thereunder and a guaranty bond to take effect upon substantial completion of the project, utilizing the bond forms in the amount the Owner specified below. Bonds may be secured through the Contractor's usual sources, provided that the surety is authorized and licensed to do business in the State of Nevada. All bonds specified shall indicate the State of Nevada Insurance Division license number, the surety company name, address, telephone number, and include the appointed agent of record who issued the bond. Surety bonds issued by an individual are not acceptable to Clark County.
- B. Not later than **seven (7) business days** after Notification of Award, the Contractor shall furnish contract bonds to the Purchasing and Contracts Division as follows:
1. Labor and Material Payment Bond in the amount of 100% of the Contract price.
 2. Performance Bond in the amount of 100% of the Contract price.
 3. Guaranty Bond in the amount of 100% of the Contract price. The Guaranty Bond will go into effect from the date of Notice of Substantial Completion.

Award will become final after the Governing Body has authorized the award and the Contractor has submitted its required bonds utilizing the Owner's bond forms.

C. Form of Bonds

1. The bonds referred to herein **shall be written on the Performance Bond, Labor and Material Payment Bond, and Guaranty Bond forms provided by Owner.**
2. The Contractor shall require the attorney-in-fact who executes the required bonds on behalf of the surety to affix thereto a certified and current copy of his power of attorney.
3. **Any Performance Bond, Labor and Material Payment Bond, or Guaranty Bond prepared by an appointed agent must provide their license number and the issuing state.**
4. The bonds specified in this section must be issued by a certified surety which is listed in the Department of the Treasury, Fiscal Service, (Department Circular 570; Current Revision); companies holding certificates of authority as acceptable sureties on Federal bonds and as acceptable reinsuring companies.

2. INSURANCE

- A. Contractor further agrees, as a precondition to the performance of any work under this contract and as a precondition to any obligation of the Owner to make any payment under this contract, to provide the Owner with a work certificate and/or a certificate issued by an insurer qualified to underwrite workers compensation insurance in the state of Nevada in accordance with Nevada Revised Statutes Chapters §616A through 616D, inclusive, whether or not the Contractor has employees.
- B. Contractor agrees to maintain required workers compensation coverage throughout the entire term of the contract. If Contractor does not maintain coverage throughout the entire term of the contract, Contractor agrees that Owner may, at any time the coverage is not maintained by Contractor, order the Contractor to stop work, assess liquidated damages as defined herein, suspend the contract, or terminate the contract.
- C. The Contractor shall furnish not later than **seven (7) business days** after notification of Intent to Award, the insurance as indicated below. The certificates for each insurance policy shall be signed by a person authorized by that insurer and licensed by the State of Nevada.
- D. As a condition precedent to receiving payments, Contractor shall have on file with Owner current certificates of insurance evidencing the required coverage. Insurance certificates for the Owner should contain the information shown on the sample certificates attached.

- E. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. Owner requires insurance carriers to maintain a Best's Key Rating of A.VII or higher (i.e., A.VII, A.VIII, A.IX, A.X, etc.). The adequacy of the insurance supplied by the Contractor, including the rating and financial health of each insurance company providing coverage, is subject to the approval of the Owner.
- F. Contractor shall furnish renewal certificates to the Owner for the required insurance during the period of coverage required by the contract. Contractor will furnish renewal certificates for the same minimum coverages as required in this Contract. The request for updated renewal certificates will be sent by the Owner to the Contractor 30 calendar days in advance of the expiration date shown on the certificate of insurance. A second request will be sent if the renewal certificate is not received from within **seven (7) business days**. If within 20 calendar days from the date of the request for an updated renewal certificate, the updated certificate has still not been provided, the Owner may declare the Contractor in default of its obligation under this paragraph.
- G. Owner, its officers, employees, agents, and volunteers, NV Energy, **additionally, the State of Nevada, Department of Transportation, the Las Vegas Valley Water District (LVVWD), Regional Flood Control District (RFCD), U.S. Bureau of Land Management (BLM), Clark County Water Reclamation District (CCWRD), Clark County School District (CCSD), City of Las Vegas (CLV), ENTER OTHER**, must be expressly covered as insureds with respect to liability arising out of the activities by or on behalf of the named insured in connection with this project.
1. The Contractor's insurance shall be primary as respects Owner, its officers, employees, agents, and volunteers, NV Energy, **additionally, the State of Nevada, Department of Transportation, the Las Vegas Valley Water District (LVVWD), Regional Flood Control District (RFCD), U.S. Bureau of Land Management (BLM), Clark County Water Reclamation District (CCWRD), Clark County School District (CCSD), City of Las Vegas (CLV), ENTER OTHER**. Any other coverage (insurance or otherwise) available to Owner, its officers, employees and volunteers shall be excess over the insurance required of the Contractor and shall not contribute with it.
- H. The Contractor's commercial general liability and automobile liability insurance policy shall be endorsed to recognize specifically the Contractor's contractual obligation of additional insured to Owner. All policies must note that the Owner will be given 30 calendar days advance notice by certified mail "return receipt requested" of any policy changes, cancellations, or any erosion of insurance limits.
- I. All deductibles and self-insured retentions shall be fully disclosed in the Certificate of Insurance. No deductible or self-insured retention may exceed \$25,000.
- J. If aggregate limits are imposed on the insurance coverage, then the amount of such limits must not be less than **\$2,000,000** per occurrence or per accident. All aggregates must be fully disclosed and the amount entered on the required certificate of insurance. Contractor's insurer must notify the Owner of any erosion of the aggregate limits. The "per occurrence" limits of insurance required herein must be maintained in full, irrespective of any erosion of aggregate.
- K. The Contractor shall obtain and maintain, for the duration of the Contract or longer period if specified herein, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Contractor, its agents, representatives, employees or subcontractors of any tier. The cost of such insurance shall be included in Contractor's bid. The Contractor is required to obtain and maintain the following coverages:
1. **Commercial General Liability:** Commercial General Liability, **including Asbestos Abatement Liability (OPTIONAL)** coverage shall be on "occurrence" basis only and not "claims made." The coverage must be provided either on an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability form. Any exceptions to coverages must be fully disclosed on the required certificates. If other than these forms are submitted as evidence of compliance, complete copies of such policy forms must be submitted to Owner within **seven (7) business days** after notice of award. Policies must include, but need not be limited to, coverages for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual and independent contractors, **whether the insurance for Asbestos Abatement Liability Coverage is supplied as an endorsement, or under a separate policy of insurance, the coverage must be evidenced on the Certificate of Insurance required in the contract (OPTIONAL)**. Contractor shall maintain limits of no less than **\$1,000,000** combined single limit per occurrence for bodily injury (including death), personal injury and property damages.
 2. **Auto Liability:** Auto Liability must provide coverage for claims for damage due to bodily injury or death of any person, or property damage arising out of the ownership, maintenance or use of **any motor vehicles whether owned, hired or non-owned**. Contractor shall maintain limits of no less than **\$1,000,000** combined single limit "per accident" for bodily injury and property damage.

3. Explosion, Collapse, and Underground **OPTIONAL**: Contractor shall provide insurance coverage for explosion collapse and underground hazards with limits of no less than **\$1,000,000** combined single limit per occurrence for bodily injury and property damages.
 4. Installation Floater **OPTIONAL**: Contractor shall be responsible to provide an installation floater insuring at full replacement value, property, machinery, and equipment that the Contractor has agreed to install on behalf of the Owner. Said insurance shall remain in effect from the moment Contractor possesses said property, in transit and until Owner accepts said property according to the terms and conditions of this contract. Contractor further agrees to disclose to Owner the full replacement value of all property insured and is responsible for all property and any insurance deductibles that may apply to the Installation Floater during their term of this Contract.
 5. Builders Risk / Course of Construction **OPTIONAL**: Unless otherwise provided in the Contract Documents, the Contractor shall purchase and maintain property insurance (builders risk) upon the work at the site to the full insurable value. This insurance shall include the interests of Clark County, the Owner, Owner's designated representative, Contractor, Subcontractors, Subcontractors of any tier. Coverage shall be written on forms to include Fire, Extended Coverage, and Special Form including theft. Contractor is responsible for the deductible for any claim made against the policy.
- L. If the Contractor fails to maintain any of the insurance coverages required herein, then the Owner will have the option to declare the Contractor in breach, or may purchase replacement insurance or pay the premiums that are due on existing policies in order that the required coverages may be maintained. The Contractor is responsible for any expenses paid by the Owner to maintain such insurance and the Owner may collect the same from the Contractor or deduct the amount paid from any sums due the Contractor under the contract.
- M. The insurance requirements specified herein do not relieve the Contractor of its responsibility or limit the amount of their liability to the Owner or other persons and the Contractor is encouraged to purchase such additional insurance as it deems necessary.
- N. Contractor is responsible for and must remedy all damage or loss to any property, including property of Owner, caused in whole or in part by the Contractor, any subcontractor or anyone employed, directed or supervised by Contractor. The Contractor is responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work.
- O. The Contractor shall pay all premiums and costs of insurance.
- P. Regardless of the coverage provided by any insurance policy, the Contractor shall indemnify, defend and hold Owner, NV Energy, **additionally, the State of Nevada, Department of Transportation, the Las Vegas Valley Water District (LVVWD), Regional Flood Control District (RFCD), U.S. Bureau of Land Management (BLM), Clark County Water Reclamation District (CCWRD), Clark County School District (CCSD), City of Las Vegas (CLV), ENTER OTHER**, harmless from any and all claims, demands, actions, attorneys' fees, costs, and expenses based upon or arising out of any acts, errors, omissions, fault or negligence of Contractor or its principals, employees, subcontractors or other agents while performing services under this Contract. Contractor shall indemnify, defend and hold harmless the Owner and others specified from any attorney's fees or other costs of defense, even if the allegations of the claim are groundless, false or fraudulent.

SUPPLEMENTAL INSURANCE BUILDERS RISK FOR CONSTRUCTION OF NEW STRUCTURES, ADDITIONS, ALTERATIONS OR REPAIRS TO COUNTY REAL PROPERTY

1. **During the term of this Contract OWNER shall provide insurance as follows:**

Builder's Risk or Course of Construction Insurance, insuring on an "all risk" basis, subject to policy(s) exclusions, equal to the maximum probable loss and covering the project and all materials and equipment to be incorporated therein, including property in transit or elsewhere and insuring the interests of the Owner, Contractors, and their Subcontractors of any tier providing equipment, materials, or services for the project. Coverage is as follows:

PRODUCER COMPANY	Leavitt Insurance Agency 7881 W. Charleston Blvd. #140 Las Vegas, NV 89117 (702) 947-4016 (702) 947-4010 guy-cottino@leavitt.com	The Travelers Insurance Co., c/o Leavitt Insurance Agency 7881 W. Charleston Blvd. #140 Las Vegas, NV 89117
Telephone Number:	(702) 947-4016	
Fax Number:	(702) 947-4010	
Email:	guy-cottino@leavitt.com	

INSURED:

Clark County, Nevada; Its Contractors and Subcontractors of any tier: Clark County Risk Management, 500 South Grand Central Parkway, 5th Floor, PO Box 551711, Las Vegas Nevada 89155-1711.

DEDUCTIBLES:

Each loss shall be adjusted separately for any one Insured Project and any one Occurrence, and from the amount of each adjusted loss, the amount as stated below shall be deducted:

- A. In respect of losses arising from all other insured perils: \$25,000 per each occurrence.
- B. In respect of losses arising from the peril of flood: \$150,000 per each occurrence.
- C. In respect of losses arising from the peril of earthquake, volcanic eruption, landslide or mine subsidence: \$500,000 per each occurrence.

2. **Contractor will be responsible for the deductible amounts, per each occurrence, as shown above, or as adjusted by the County's Builders Risk policy from year to year.** The County will make every attempt to maintain the deductibles from year to year, but the Contractor will be responsible for the deductibles as they are negotiated. The County will give the Contractor 30 calendar days notice of any change in the existing deductibles. The Contractor shall have the right, upon notice of an increase in the deductibles as shown, to justify a change order to help compensate the Contractor for costs associated with an increase in deductibles as shown.

- A. It is the Contractor's responsibility to be familiar with the current coverages described in this section.
- B. The Contractor shall immediately report any incident or claim, no later than 24 hours after occurrence, against any insurance furnished by the Owner, to the Owner's Risk Management representative in writing of details of incident. The Contractor shall, at the same time, forward to the Owner's Risk Management representative a copy of the executed form(s) to the Owner and the Owner's insurance agent.
- C. The Contractor shall provide any and all documentation relative to loss and damage via delivery receipts, bills of lading, material invoices, acknowledgment forms, etc.
- D. In the event of a claim, the Contractor shall meet with the Owner to determine the quantities of replacement materials and/or equipment. The Contractor shall be responsible for the reordering of all items upon direction of the Owner's authorized representative. Owner's payment for these materials and equipment shall not be made until delivered to be job site. The payment(s) are subject to the deductible amount as identified within this section.
- E. The Owner reserves the right to have the Contractor furnish the actual insurance policies for examination.

BUILDER'S RISK/COURSE OF CONSTRUCTION (NON-OWNED COUNTY PROPERTY) OPTIONAL

Builder's Risk/Course of Construction: Unless otherwise provided in the Contract Documents, the Contractor shall purchase and maintain property insurance (builder's risk) upon the work at the site to the full insurable value. This insurance shall include the interests of Owner, Owner's designated representative, the County, Contractor, Subcontractors, Subcontractors of any tier. Coverage shall be written on forms to include Fire, Extended Coverage, and Special Form including theft. Contractor is responsible for the deductible for any claim made against the policy.

POLICY NUMBER: _____

COMMERCIAL GENERAL AND AUTOMOBILE LIABILITY

BID NUMBER AND PROJECT NAME: _____

THIS ENDORSEMENT CHANGED THE POLICY. PLEASE READ IT CAREFULLY
ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY AND AUTOMOBILE LIABILITY COVERAGE PART.

SCHEDULE

Name of Person or Organization:

CLARK COUNTY, NEVADA
C/O PURCHASING & CONTRACTS DIVISION
500 S. GRAND CENTRAL PKWY 4TH FL
PO BOX 551217
LAS VEGAS, NEVADA 89155-1217

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule as an insured but only with respect to liability arising out of your operations or premises owned by or rented to you.

CLARK COUNTY, ITS OFFICERS, EMPLOYEES AND VOLUNTEERS, NV ENERGY, ADDITIONALLY, THE STATE OF NEVADA, DEPARTMENT OF TRANSPORTATION, THE LAS VEGAS VALLEY WATER DISTRICT (LVVWD), REGIONAL FLOOD CONTROL DISTRICT (RFCD), U.S. BUREAU OF LAND MANAGEMENT (BLM), CLARK COUNTY WATER RECLAMATION DISTRICT (CCWRD), CLARK COUNTY SCHOOL DISTRICT (CCSD), CITY OF LAS VEGAS (CLV), ENTER OTHER ARE INSUREDS WITH RESPECT TO LIABILITY ARISING OUT OF THE ACTIVITIES BY OR ON BEHALF OF THE NAMED INSURED IN CONNECTION WITH THIS PROJECT.

PERFORMANCE BOND

IMPORTANT: SURETY COMPANIES EXECUTING BONDS MUST BE LICENSED TO ISSUE SURETY BY THE STATE OF NEVADA INSURANCE DIVISION PURSUANT TO NEVADA REVISED STATUTE 683A AND ISSUED BY AN APPOINTED PRODUCER OF INSURANCE PURSUANT TO NEVADA REVISED STATUTE 683A. INDIVIDUAL SURETY BONDS ARE NOT ACCEPTABLE.

KNOW ALL MEN BY THESE PRESENTS,

That _____, as Principal Contractor, and _____, as Surety, are held and firmly bound unto CLARK COUNTY, NEVADA, hereinafter called Owner, in the sum of _____ dollars, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, said Contractor has been recommended for award and shall enter into the contract with said Owner to perform all work required under the Bidding Schedule(s) **BID NO. /////
of the Owner's specifications, entitled //TITLE//.**

NOW THEREFORE, if said Contractor shall perform all the requirements of said contract required to be performed on their part, at the times and in the manner specified therein, then this obligation shall be null and void, otherwise it shall remain in full force and effect.

PROVIDED, that any change order(s), alterations in the work to be done or the materials to be furnished, which may be made pursuant to the terms of said contract, shall not in any way release said Contractor or said Surety thereunder, nor shall any extensions of time granted under the provisions of said contract release either said Contractor or said Surety, and notice of such change order(s), alterations or extensions of the contract is hereby waived by said Surety.

SIGNED this _____ day of _____, 20____ (SEAL AND NOTARIAL ACKNOWLEDGMENT OF SURETY)

(Principal Contractor)

(Authorized Representative and Title)

By: _____
(Signature)

Surety: _____

(Appointed Agent Name)

(State of Nevada, License Number)

By: _____
(Signature)

(Appointed Agent Name)

(License Number and Issuing State)

By: _____
(Signature)

Address: _____

Address: _____

Telephone: _____

Telephone: _____

ISSUING COMPANY MUST HOLD CERTIFICATES OF AUTHORITY AS ACCEPTABLE SURETY ON FEDERAL BONDS AND AS ACCEPTABLE REINSURING COMPANY WITH LISTING IN THE DEPARTMENT OF TREASURY, FISCAL SERVICE, (DEPARTMENT OF CIRCULAR "570," CURRENT REVISIONS).

LABOR AND MATERIAL PAYMENT BOND

IMPORTANT: SURETY COMPANIES EXECUTING BONDS MUST BE LICENSED TO ISSUE SURETY BY THE STATE OF NEVADA INSURANCE DIVISION PURSUANT TO NEVADA REVISED STATUTE 683A AND ISSUED BY AN APPOINTED PRODUCER OF INSURANCE PURSUANT TO NEVADA REVISED STATUTE 683A. INDIVIDUAL SURETY BONDS ARE NOT ACCEPTABLE.

KNOW ALL MEN BY THESE PRESENTS,

That _____, as Contractor, and _____, as Surety, are held and firmly bound unto CLARK COUNTY, NEVADA, hereinafter called Owner, in the sum of _____ dollars, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally, firmly by these presents.

WHEREAS, said Contractor has been recommended for award and shall enter into the contract with said Owner to perform all work required under the Bidding Schedule(s), **BID NO. // // // //, //TITLE//**.

NOW THEREFORE, if said Contractor, or subcontractors, fails to pay for any materials, equipment, or other supplies, or for rental of same, used in connection with the performance of work contracted to be done, or for amounts due under applicable State law for any work or labor thereon, said Surety will pay for the same in an amount not exceeding the sum specified above and, in the event suit is brought upon this bond, a reasonable attorney's fee to be fixed by the court. This bond shall insure to the benefit of any persons, companies or corporations entitled to file claims under applicable State law.

PROVIDED, that any change order(s), alterations in the work to be done or the materials to be furnished, which may be made pursuant to the terms of said Contract, shall not in any way release either said Contractor or said Surety thereunder, nor shall any extensions of time granted under the provisions of said Contract release either said Contractor or said Surety, and notice of such change order(s), alterations or extensions of the Contract is hereby waived by said Surety.

SIGNED this _____ day of _____, 20____ (SEAL AND NOTARIAL ACKNOWLEDGMENT OF SURETY)

(Principal Contractor)

(Authorized Representative and Title)

By: _____
(Signature)

Surety: _____

(State of Nevada, License Number)

(Appointed Agent Name)

By: _____
(Signature)

(Appointed Agent Name)

(License Number and Issuing State)

By: _____
(Signature)

Address: _____

Address: _____

Telephone: _____

Telephone: _____

ISSUING COMPANY MUST HOLD CERTIFICATES OF AUTHORITY AS ACCEPTABLE SURETY ON FEDERAL BONDS AND AS ACCEPTABLE REINSURING COMPANY WITH LISTING IN THE DEPARTMENT OF TREASURY, FISCAL SERVICE, (DEPARTMENT OF CIRCULAR "570," CURRENT REVISIONS).

GUARANTY BOND

IMPORTANT: SURETY COMPANIES EXECUTING BONDS MUST BE LICENSED TO ISSUE SURETY BY THE STATE OF NEVADA INSURANCE DIVISION PURSUANT TO NEVADA REVISED STATUTE 683A AND ISSUED BY AN APPOINTED PRODUCER OF INSURANCE PURSUANT TO NEVADA REVISED STATUTE 683A. INDIVIDUAL SURETY BONDS ARE NOT ACCEPTABLE.

GUARANTEE for _____

(Name and Address of Prime Contractor)

We hereby guarantee that the **BID NO. /////**, //TITLE//**, which we have constructed, has been done in accordance with the plans and specifications; that the work as constructed will fulfill the requirements of the guaranties included in the Contract Documents. We agree to repair or replace any or all of our work together with any other adjacent work which may be damaged in so doing, that may prove to be defective in workmanship or materials within a period of one year from the date of the Notice of Substantial Completion of the above named work by the County of Clark, State of Nevada, without any expense whatsoever to said County of Clark, State of Nevada, ordinary wear and unusual abuse or neglect excepted.**

In the event of our failure to comply with the above mentioned conditions within 14 calendar days after being notified in writing by Clark County, Nevada, we collectively or separately, do hereby authorize Clark County, Nevada to proceed to have said defects repaired and made good at our expense and we will honor and pay the costs and charges therefore upon demand. When correction work is started, it shall be carried through to completion.

SIGNED this _____ day of _____, 20____ (SEAL AND NOTARIAL ACKNOWLEDGMENT OF SURETY)

(Principal Contractor)

(Authorized Representative and Title)

By: _____
(Signature)

Surety: _____

(Appointed Agent Name)

(State of Nevada, License Number)

By: _____
(Signature)

(Appointed Agent Name)

(License Number and Issuing State)

By: _____
(Signature)

Address: _____

Address: _____

Telephone: _____

Telephone: _____

ISSUING COMPANY MUST HOLD CERTIFICATES OF AUTHORITY AS ACCEPTABLE SURETY ON FEDERAL BONDS AND AS ACCEPTABLE REINSURING COMPANY WITH LISTING IN THE DEPARTMENT OF TREASURY, FISCAL SERVICE, (DEPARTMENT OF CIRCULAR "570," CURRENT REVISIONS).