



**BAY COUNTY BOARD OF COUNTY  
COMMISSIONERS**

**CAPITAL IMPROVEMENT  
PROJECT  
MANAGEMENT SYSTEM**

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# **CAPITAL IMPROVEMENT PROJECT MANAGEMENT SYSTEM**

## **SECTION I INTRODUCTION**

For many years, Bay County has managed Capital Improvement Projects (CIP) using in-house and Consulting Engineers/Project Managers. In each of these instances, differing management systems were utilized, with the application varying from individual to individual or project to project. This created opportunities for challenges/problems to occur and fails to provide a consistent method on which the Owner, Engineers, and the Contractors can rely. Additionally, with construction management services decentralized within the County, an opportunity always exists for important steps to be overlooked, such as Risk Management requirements, inspection services, traffic management, etc. This document provides a general framework upon which construction management services should be provided for all Bay County Capital Improvement Projects with a construction cost in excess of \$250,000.

Revisions to this system and forms, when appropriate, may be authorized by the County Manager.

## SECTION II OVERVIEW

The Capital Improvement Project Management System focuses on the following primary areas:

- 1) Qualifications: Qualifications must be consistent with state requirements.
- 2) Bid process: Advertisement for bids or proposals must be in accordance with Florida Statutes and Bay County Procurement Manual
- 2) Construction Process: The construction process must have accurate and clear contract documents as these documents become the basis upon which the project will be managed, constructed, and inspected. Specific and thorough construction documents, accurate record keeping and professional inspection services help to ensure a positive outcome of the project. Plans, specifications, and any changes must be approved by the County prior to the start of construction.
- 3) Project Summary: At the conclusion of the construction project, it is beneficial to conduct a review of the project to help identify strengths and weaknesses of the participating parties. If an engineering firm and/or contractor continually performs below an established or expected threshold, this would provide the foundation upon which to disqualify poorly performing firm(s) from future consideration.

## SECTION III CAPITAL IMPROVEMENT PROJECT MANAGEMENT SYSTEM PROCESS

The following is a synopsis of the steps involved in this Project Management System. On occasion, on a project specific basis, County staff may modify the process depending on the type of contract (e.g., traditional, design-build, etc.) established by the Board. However, in no case will any modification be authorized by the appropriate responsible party which may be detrimental to the overall positive outcome of the project.

Most of the steps are typical of the traditional Project Management Process. However, several unique ideas have been added to enhance the process. While the list is not all inclusive, it is designed to provide a general framework upon which to customize a sound Capital Improvement Project Management System for Bay County.

All Capital Improvement Projects under this process will have formal meetings scheduled throughout the process. The schedule will be approved by the Project Manager or authorized County Representative. All meetings between the County, designer and contractor shall be recorded.

County staff will provide a monthly status report of all Capital Improvement Projects that have been issued a Notice to Proceed.

### **Step 1. Project Identification, Evaluation, and Funding During the Annual Budget Process**

The Budget Office is responsible for coordinating the preparation of the County's Five-Year Capital Improvement Program (CIP). All capital improvement projects identified in the CIP with an estimated construction cost in excess of \$250,000 and other projects as identified by the County Manager (or designee) should follow the steps outlined in the Capital Improvement Project Management System.

In addition to funding for the project, funding must be provided for Construction Engineering and Inspection (CEI) services by a firm independent of the design-build team or county staff certified/qualified inspectors.

### **Step 2. Develop Plans and Specifications/Design Criteria for the Project**

- A. Utilizing the traditional construction process, projects which have been identified in the Capital Improvement Program will have plans and specifications developed that precisely identify the substance of the project.
- B. When the design-build construction process is utilized, a modified system utilizing design criteria will be used following Florida Statute 287.055 (9). In addition, County Manager approval must be obtained to utilize the design-build process.
- C. Incomplete or ambiguous plans and specifications or design criteria typically result in poor construction, higher cost, and frequently, litigation. Responsible contractors prefer concise/tight specifications and design criteria as this provides them an

opportunity to more accurately project job cost. Generally, contractors prefer to know what is expected, rather than guessing at what is intended by the specifications. Integral to this detailed approach is the consistency and firmness with which the Consulting Engineer/Project Manager and Inspectors enforce the provisions of the contract.

- D. It is important to have clear interpretation of technical provisions. Specifications should be written so they can be interpreted simply and easily, but this does not always occur. The same words may mean different things to the Owner, Consulting Engineer/Project Manager, and Contractor. When the meaning is in dispute, the decision will usually be against the one who prepared the contract. When a dispute arises, the judge or arbitrator usually tries to find the intent of the parties at the time the contract was signed.
- E. When preparing bid specifications, it is important to discuss liquidated damages. Whenever possible, the specifications should include a specific amount for liquidated damages in accordance with the provisions of this paragraph. The term "liquidated damages" means a sum agreed upon by the County and the Contractor at the time of entering into a contract, payable to satisfy any loss or injury flowing from a breach of their contract. The County and the Contractor may stipulate, in advance, the amount to be paid as compensation for injury which may result from a breach, and a stipulated sum is enforceable if such sum is determined to be liquidated damages rather than a penalty. However, the sum stipulated must, under the circumstances, be reasonable and the damages in their nature uncertain, and it must be apparent that it was the intention of the parties to provide in fact for liquidated damages and not for a penalty.  
Design-build projects should include performance periods for both design and construction with liquidated damages established for the construction performance period.
- F. Determine if the project may benefit from direct purchases by the County, subject to certain sales tax exemptions pursuant to section 212.08(6), Fla. Stat. (2010). While tax savings may be an incentive to direct purchase materials, the Project Manager should consider additional insurance requirements and costs that may be incurred through direct purchase. Include language allowing for direct purchase in the solicitation documents if applicable.
- G. The Risk Manager is to be included in all aspects of the project from the initial planning phase to finalization of contract documents, and throughout the construction process, so as to ensure the appropriate insurance documents are in force and remain as such for the duration of the project (see Appendix B for standard requirements).

### **Step 3. Advertise Project**

The Purchasing Department will develop the bid advertisement with assistance from the requesting department. The ad should include the title of the project, pre-bid meeting date, the date, time, and place to which contractors can return their bids, and name of the

purchasing contact person. All bids will be sealed and opened in a public setting. The “public process” is designed to provide responding bidders with an opportunity to observe the process and instill confidence in the system while providing safeguards for the local government as well as the competitive bidders. The key to good advertisement for bids is to keep the advertisement simple, and publish the notice in newspapers, trade papers, etc., to attract the most qualified bidders. The notice to bidders assures uniformity of information to all interested bidders.

#### **Step 4. Conduct Pre-Bid Conference with Interested Parties**

To assist prospective bidders in fully understanding the scope of the project, pre-bid conferences will be conducted. This pre-bid process allows the Owner, Consulting Engineer/Project Manager, Risk Manager, and interested parties the opportunity to discuss unique aspects of the project in a group setting where all answers to questions are universally received. Additionally, all questions received after the pre-bid conference, but prior to the bid submittal date, must be received in writing. If questions warrant changing bid documents numbered Addendum’s will be issued and an acknowledgement will be required from bidders. Copies must be provided to all pre-bid conference attendees.

#### **Step 5. Bid Opening**

The Purchasing Department will receive sealed responses up until the prescribed date and time. All sealed responses received by the Purchasing Department at or before the prescribed date and time will be opened in a public setting. The “public process” is designed to provide responding bidders with an opportunity to observe the process and instill confidence in the system while providing safeguards for the local government as well as the competitive bidders.

#### **Step 6. Conduct Pre-Award Analysis**

Prior to recommending award to the county commission the County may review the award with the most responsive firm. The County may establish an in-house peer review process and/or direct the Consulting Engineer/Project Manager to analyze the bid from quantities specified to profit margins to ensure that the scope of the project is fully realized and can be completed within the submitted proposal. This pre-award process affords another opportunity for the Owner and/or Consulting Engineer/Project Manager to discuss with the most responsive Contractor the scope, methodology, time schedule, insurance requirements, etc. of the project. This pre-award technique also minimizes the opportunities for misunderstandings and potential change orders at a later date. The County may allow a bidder to withdraw due to mistakes in bidding and/or errors in judgment. Should the County allow a bidder to withdraw their bid, then the County and/or its Consulting Engineer/Project Manager will proceed to the next most responsive bidder and begin a similar process.

Lastly and prior to formulating a recommendation for the most responsive bidder, it is important to review and identify any unique circumstances surrounding this project, such as acquisition of easements, right-of-entry, permission forms, etc., which may delay the project once approval is provided.

Any concerns about insurance requirements should include the Risk Manager.

### **Step 7. Recommendation for Award**

After conducting the pre-award analysis, the requesting department will notify the Purchasing Department of the intended award.

The appropriate Chief Officer or Department Director will develop a BCC Memo for the project. The memo should include a summary of the project, a complete tabulation of all submittals, and the resulted negotiated agreement, how the project is to be funded and a timeframe for completion, along with any other unique information associated with the project. The Chief Financial Officer, Chief Procurement Officer and Chief Risk Officer must concur with the Department Director responsible for the project. The requesting department will be prepared to discuss the item at the designated County Commission meeting to the level requested by the Board.

### **Step 8. Issue Notice of Award**

Upon approval by the County Commission, the Purchasing Department, will notify all respondents of the project award. Any interested party to the award (e.g. engineer, contractor, etc.) involved in a Capital Improvement Project with Bay County may appeal the Award of the project within one (1) business day after notification of award for the project following the process in the Bay County Procurement Code.

After the one (1) day protest period if no protests are filed, Purchasing Department will issue the Notice of Award and contract to the successful vendor. Following a Notice of Award, the most responsive bidder will be requested to submit the required signed contract, Public Construction Bond, proof of insurances, etc., as defined by the Chief Procurement Officer and Chief Risk Officer, etc. in the contract documents.

### **Step 9. Finalize all Required Insurances and Bonds**

Insurance and bonds are critical to protecting the County's interests during the construction phase and any subsequent warranty period of the project.

While some insurance requirements will be standard for major capital projects, different types of projects may require different types of insurance and/or different coverage amounts. The exact insurance requirements for each project are identified by the County's Chief Risk Officer as part of the preparation of bid specifications. However, all insurance policies must name the County as an additional insured, primary non-contributory with waiver of subrogation. These insurance requirements must be met and placed into effect by the Contractor prior to the County issuing a Notice to Proceed for the work. Proof that the necessary insurance has been obtained, typically certificates of insurance (COIs) are forwarded by the Contractor to the Purchasing Department, who will then forward these COIs to the Chief Risk Officer for review. The Project Manager will track the expiration dates of the various insurances. If policies are set to expire before the project is completed, the Project Manager will notify the Contractor and request renewed certificates of insurance through the end of the project. Copies of the renewed certificates

must be forwarded to the County prior to the expiration date. All sub-contractors are subject to the same insurance requirements as the awarded contractor. The Project Manager shall request copies of all COIs for any sub-contractors utilized prior to the sub-contractor beginning any work. The Project Manager will track the COIs for all subcontractors to include expiration dates.

Bid Bonds are typically required to be included in each contractor's bid proposal. Bid Bonds will be returned to the unsuccessful bidder(s) after the Notice of Award is issued if requested by the bidder.

Public Construction Bonds are required for these CIP projects. This bond provides the Owner with an avenue of financial recourse should the contractor not complete the project or demonstrate an inability to properly manage and/or construct the project in accordance with the specifications. The Bond can provide the funding needed by the County to hire another Contractor or pay for services necessary to properly complete the work. The Contractor must submit a copy of the Performance Bond to the Purchasing Department for review and approval prior to the Notice to Proceed being issued. The Performance Bond becomes an integral part of the final contract documents and will remain in effect and in the possession of the County until the successful completion of the project. Warranty or Maintenance Bonds, if required by the project specifications, will be executed prior to final project closeout and will be held by the Project Manager/Consulting Engineer until the end of the bond period. These Bonds will then be returned to the Contractor if requested.

Once all insurance and Bond documents are in place and have been officially recorded as part of the contract documents, the Clerk of the Court will provide a copy of the entire recorded contract documents package to the Purchasing Department. The Purchasing Department will send a copy of the contract documents to the requesting department. The requesting department sends the contract documents to the Contractor with the Notice to Proceed.

#### **Step 10. Conduct Pre-Construction Meeting**

The Consulting Engineer/Project Manager should prepare an agenda summarizing the principal items to be discussed on the project. Correspondence should be forwarded to all affected parties, municipalities, and utility providers in the project area. Also, the Risk Manager should meet with the successful Contractor and Project Manager/Consulting Engineer to clarify any insurance issues and safety inspections.

#### **Step 11. Issue Notice to Proceed**

Once the Purchasing Department has acquired all required information, the requesting department can issue the Notice to Proceed. The Notice to Proceed should reference the specific contract documents and include the starting date of the project and the number of working days permitted. The Notice to Proceed date is considered the first day of the performance period. The original accepted Notice to Proceed should be forwarded to the Clerk of Court for recording, copies should be provided to the Budget Office and Finance Office who may assist in managing the financial aspects of the project. Additionally, copies should be provided to the County Attorney, the Purchasing Department, the Risk

Management Department (who will be responsible for monitoring the compliance on all insurances), and the Consulting Engineer/Project Manager.

## **Step 12. Invoicing and Payment**

- A. The Contractor should submit to the County a schedule of values for the project. Pay requests should be submitted on an approved invoice format or AIA Document G702 – Application and Certification for Payment and be accompanied by the subcontractor Waiver of Right to Claim Against the Payment Bond. Payments will be made in accordance with the Florida Prompt Payment Act F.S. 218.735. Pay requests shall be based upon the progress made and submitted to the County on a monthly basis.
1. If an agent (Consultant) must approve the pay request, payment by the County to the Contractor of the statement amount shall be made within twenty-five (25) business days after the date on which the payment request or invoice is stamped as received by the agent. . If an agent (Consultant) need not approve the pay request, payment by the County to the Contractor of the statement amount shall be made within twenty (20) business days after the date on which the payment request or invoice is stamped as received by the County. five percent (5%) retainage shall be held at the discretion of the County..
- B. Final Payment - Final payment constituting the unpaid balance of the cost of the Project and retainage, shall be due and payable within 45 days after the Project is delivered to the County, finished and ready for occupancy. However, if there should remain work to be completed after occupancy, the Contractor and the Engineer shall list those items prior to receiving final payment and the County may retain a sum equal to 150% of the estimated cost of completing any unfinished work and the applicable portion of the Contractor's retainage, provided that said unfinished items are listed separately and estimated cost of completing any unfinished items are likewise listed separately. Thereafter, County shall pay to Contractor, monthly, the amount retained from each incomplete item after each of said items is completed.
- C. Payments to Subcontractors - The Contractor shall promptly, but not later than 10 days after receipt of payment from the County, pay all the amount due subcontractors less a retainage of five percent (5%). If there should remain items to be completed, the Contractor and Engineer shall list those items required for completion and the Contractor shall require the retainage of a sum equal to 150% of the estimated cost of completing any unfinished items, provided that said unfinished items are listed separately and the estimated cost of completing any unfinished items likewise listed separately. Thereafter, The Contractor shall pay to the subcontractors, monthly; the amount retained for each incomplete item after each of said items is completed. Before issuance of final payment without any retainage, the subcontractor shall submit satisfactory evidence that all payrolls, material bills and other indebtedness connected with the Project have been paid or otherwise satisfied, warranty information is complete, as-built markups have been submitted and instruction for the County's operating and maintenance personnel is

complete. Under unique circumstances or emergency contracts, final payment may be made to a select subcontractor whose work has been satisfactorily completed prior to the total completion of the project but only upon approval by the County Manager.

- D. Delayed Payments by County - If the County shall fail to pay the Contractor within 20 days after the receipt of an approved payment request from the Contractor, then the Contractor may, upon fourteen (14) additional days advance written notice to the County and the Engineer stop the Project until payment of the amount owing has been received, provided that the payment request has been submitted in sufficient detail to comply with the guidelines of the Office of the Clerk of the Circuit Court for Bay County. In the event that there is a dispute in the amount of the pay request, then only the disputed amount shall be held until resolved and the undisputed amount shall be paid within the time limits as stated within this paragraph. If undisputed amounts are timely paid, then the Contractor shall not stop the Project in any fashion and the progress of the project shall not be interrupted. Both parties agree that best efforts be made to resolve the disputed amount.
- E. Payment for Materials and Equipment - Payments will be made for material and equipment not incorporated in the work but delivered and suitably stored at the site (or another location, subject to prior approval and acceptance by the County on each occasion).

### **Step 13. Successful Vendor Begins Project Construction**

Having completed the items in the previous ten steps, the Contractor is prepared to begin construction. During construction the Consulting Engineer/Project Manager shall:

- A. Consult with and advise the Owner and act as his representative as specified in agreement between the Owner and the Consulting Engineer/Project Manager.
- B. Make visits to the site at intervals appropriate to the various stages of construction to observe the progress and quality of the executed work and to determine in general if such work is proceeding in accordance with contract documents.
- C. Perform day to day resident inspection if required by agreement.
- D. Review and approve shop drawings and other submittals.
- E. Issue all instructions of Owner to contractor and provide necessary interpretations and clarifications of the contract documents.
- F. Prepare change orders as required.
- G. Based on on-site observations and review of applications for payment, determine amounts owing to contractor and recommend payment to Owner.

- H. Conduct an inspection to determine if the project is substantially complete and a final inspection to determine if the work is complete in accordance with contract documents and if contractor has fulfilled all his obligations.
- I. Recommend in writing final payment and give written notice to Owner that work is acceptable.

**Step 14. Appropriate Engineering/Inspection Services During Construction**

CEI services will be provided by a certified inspector independent from the Contractor or Design Build team and shall include the following:

- A. Preparatory inspection - This should be performed prior to beginning any work on any definable feature of work. It should include a review of contract requirements; a check to assure that all materials and/or equipment have been tested, submitted, and approved; a check to assure that provisions have been made to provide required quality control testing; examination of the work area to ascertain that all preliminary work has been completed; and a physical examination of materials and equipment to assure that they conform to approved shop drawings or submittal data and that all materials and/or equipment are on hand.
- B. Inspections: Should be performed as soon as work begins on a representative portion of the particular feature of work and should include examination of the quality of workmanship and should include a review of quality control testing for compliance with contract requirements. Inspection reports must be completed on a daily basis and/or a diary maintained which documents the contractor's progress and activities. As a minimum, this documentation shall include:
  - 1. Phase or phases of construction underway during the timeframe of the report.
  - 2. Type and number of inspections or tests that were made.
  - 3. Results of inspection, including nature of deficiencies observed and corrective actions taken or to be taken.
  - 4. Report of tests performed, including those specified, with the results of the tests, including failures and remedial action to be taken. Test results should be attached to the daily inspection report form. Where test results cannot be completed by the time the daily inspection report is submitted a notation should be made that the test was performed and the approximate date test results will be available. Delayed test results should be submitted with the daily inspection report on the date received.
  - 5. Other information may be required on the daily inspection report for activities affecting quality control and construction documentation. These items may/shall include:
    - a. Data on weather conditions.

- b. Contractor or subcontractor operations, during the reporting period, and their respective areas of responsibility.
- c. Surveillance of shop drawings and submittal requirements.
- d. Monitoring of materials and equipment upon arrival at the job site for compliance with submittal approvals, damage during transit, and proper storage.
- e. Job safety.
- f. Number and types of vehicles/equipment on project.
- g. Documentation of any delays and/or change requests.
- h. Federal, State and local government visitors.

6. The daily inspection report must contain a record of inspections and tests for all work accomplished subsequent to the previous report.

7. In all cases the daily inspection report must be verified and signed by the Consulting Engineer/Project Manager. The verification should contain the statement that all supplies and materials, incorporated in the work, are in compliance with the terms of the contract except as noted. Reports should be reviewed promptly by the Owner. Discrepancies should be resolved immediately.

8. Inspect and monitor the safety/insurance aspects of the project.

- C. Substantial completion inspection - This shall be performed upon notification by the contractor that the project is substantially complete. A punch list shall be prepared to document all work required in order to conform to contract requirements.
- D. Final inspection - This shall be performed upon notice by the contractor that punch list items have been corrected and upon personal observations which indicate that all work has been completed in accordance with contract documents. Final inspection must be completed within the project performance period.
- E. Liquidated damages – Liquidated damages for a project not completed within the project performance period will begin accruing the day after the last day of the contract project performance period.

### **Step 15. Post Construction Evaluation**

With the project construction complete, it is beneficial for the Owner, Consulting Engineer/Project Manager, and Contractor to review how the project has been managed, designed, and constructed.

This post construction evaluation becomes the foundation upon which Consulting Engineers/Project Managers and Contractors are qualified for future work based on past performance.

**APPENDIX A**  
**FORMS**

**APPENDIX B  
BAY COUNTY  
INSURANCE REQUIREMENTS**

**1. LOSS CONTROL/SAFETY**

a. Precaution shall be exercised at all times by the Contractor for the protection of all persons, including employees, and property. The Contractor shall be expected to comply with all laws, regulations or ordinances related to safety and health, shall make special effort to detect hazardous conditions and shall take prompt action where loss control/safety measures should reasonably be expected.

b. The County may order work to be stopped if conditions exist that present immediate danger to persons or property. The Contractor acknowledges that such stoppage will not shift responsibility for any damages from the Contractor to the County.

**2. DRUG FREE WORK PLACE REQUIREMENTS**

All contracts with individuals or organizations that wish to do business with the Bay County Board of Commissioners, a stipulation will be made in the contract or purchase order that requires contractors, subcontractors, vendors or consultants to have a substance abuse policy. The employees of such contractors, subcontractors, vendors or consultants will be subject to the same rules of conduct and tests as the employees of the Bay County Board of Commissioners. In the event of an employee of a supplier of goods or services is found to have violated the Substance Abuse Policy, that employee will be denied access to the County's premises and job sites. In addition, if the violation(s) is/are considered flagrant, or the County is not satisfied with the actions of the contractor, subcontractor, vendor, or consultant, the County can exercise its right to bar all of the contractor's, subcontractor's, vendor's, or consultants employees from its premises or decline to do business with the contractor, subcontractor, vendor or consultant in the future. All expenses and penalties incurred by a contractor, subcontractor, vendor or consultant as a result of a violation of the County's Substance Abuse Policy shall be borne by the contractor, subcontractor, vendor, or consultant.

**3. INSURANCE - BASIC COVERAGES REQUIRED**

a. The Contractor shall procure and maintain the following described insurance, except for coverages specifically waived by the County, on policies and with insurers acceptable to the County. These insurance requirements shall not limit the liability of the Contractor. All subcontractors are subject to the same coverages and limits as the Contractor. The County does not represent these types or amounts of insurance to be sufficient or adequate to protect the Contractor's interests or liabilities, but are merely minimums.

b. Except for workers' compensation and professional liability, the Contractor's insurance policies shall be endorsed to name the County as an additional

insured to the extent of the County's interests arising from this agreement, contract, or lease.

c. Except for workers' compensation, the Contractor waives its right of recovery against the County, to the extent permitted by its insurance policies.

d. The Contractor's deductibles/self-insured retentions shall be disclosed to the County and may be disapproved by the County. They shall be reduced or eliminated at the option of the County. The Contractor is responsible for the amount of any deductible or self-insured retention.

e. Insurance required of the Contractor or any other insurance of the Contractor shall be considered primary, and insurance of the County shall be considered excess, as may be applicable to claims which arise out of the Hold Harmless, Payment on Behalf of the County, Insurance, Certificates of Insurance and any Additional Insurance provisions of this agreement, contract or lease.

f. **WORKERS' COMPENSATION COVERAGE**

The Contractor shall purchase and maintain workers' compensation insurance for all workers' compensation obligations imposed by state law and employer's liability limits of at least **\$500,000 each accident and \$500,000 each employee/\$500,000 policy limit for disease**. The Contractor shall also purchase any other coverages required by law for the benefit of employees. The Contractor shall provide to the County an Affidavit stating that he meets all the requirements of Florida Statute 440.02(14)(d).

g. **GENERAL, AUTOMOBILE AND EXCESS OR UMBRELLA LIABILITY COVERAGE**

The Contractor shall purchase and maintain coverage on forms no more restrictive than the latest editions of the Commercial or Comprehensive General Liability and Business Auto policies of the Insurance Services Office. **Minimum limits of \$1,000,000 per occurrence** for all liability must be provided, with excess or umbrella insurance making up the difference, if any, between the policy limits of underlying policies (including employers liability required in the Workers' compensation Coverage section) and the amount of coverage required.

h. **GENERAL LIABILITY COVERAGE**

Commercial General Liability - Occurrence Form Required  
Coverage A shall include bodily injury and property damage liability for premises, operations, products and completed operations, independent contractors, contractual liability covering this agreement contract or lease, and broad form property damage, and property damage resulting from explosion, collapse or underground (x,c,u) exposures. Coverage B shall include personal injury. Coverage C, medical payments, is not required.

i. **PRODUCTS/COMPLETED OPERATIONS**

The Contractor is required to continue to purchase products and completed operations coverage, at least to satisfy this agreement, contract or lease, for a minimum of three years beyond the County's acceptance of renovation or construction projects.

j. BUSINESS AUTO LIABILITY COVERAGE

Business Auto Liability coverage is to include bodily injury and property damage arising out of ownership, maintenance or use of any auto, including owned, non-owned and hired automobiles and employee non-ownership use.

k. EXCESS OR UMBRELLA LIABILITY COVERAGE

Umbrella Liability insurance is preferred, but an Excess Liability equivalent may be allowed. Whichever type of coverage is provided, it shall not be more restrictive than the underlying insurance policy coverages.

l. CERTIFICATES OF INSURANCE

1. Required insurance shall be documented in Certificates of Insurance which provide that the County shall be notified at least 30 days in advance of cancellation, nonrenewal or adverse change. The Certificate Holder will be addressed as the BAY COUNTY BOARD OF COMMISSIONERS, 840 W. 11th Street, Panama City, Florida 32401. All certificates, cancellation, nonrenewal or adverse change notices should be mailed to this address. Each Certificate will address the service being rendered to the County by the Contractor. **The County shall be named as an Additional Insured, Primary and Non-Contributory for both General Liability and Business Auto Liability with Waiver of subrogation included with respects to both General Liability and Business Auto.**

2. New Certificates of Insurance are to be provided to the County at least 15 days after coverage renewals.

3. If requested by the County, the Contractor shall furnish complete copies of insurance policies, forms and endorsements.

4. For the Commercial General Liability coverage the Contractor shall, at the option of the County, provide an indication of the amount of claims payments or reserves chargeable to the aggregate amount of the liability coverage.

m. RECEIPT OF INSUFFICIENT CERTIFICATES

Receipt of certificates or other documentation of insurance or policies or copies of policies by the County, or by any of its representatives, which indicate less coverage than required does not constitute a waiver of the Contractor's obligation to fulfill the insurance requirements herein.

4. ADDITIONAL INSURANCE

**If checked below, the County requires the following additional types of insurance.**

**Professional Liability/Malpractice/Errors or Omissions Coverage**

The Contractor shall purchase and maintain professional liability or malpractice or errors or omissions insurance with minimum limits of \_\_\_\_\_ per occurrence. If a claims made form of coverage is provided, the retroactive date of coverage shall be no later than the inception date of claims made coverage, unless the prior policy was extended indefinitely to cover prior acts.

Coverage shall be extended beyond the policy year either by a supplemental extended reporting period (ERP) of as great duration as available, and with no less coverage and with reinstated aggregate limits, or by requiring that any new policy provide a retroactive date no later than the inception date of claims made coverage.

**Property Coverage for Leases**

The Contractor shall procure and maintain for the life of the lease, all risk/special perils (including sinkhole) property insurance (or its equivalent) to cover loss resulting from damage to or destruction of the building and personal property/contents. The policy shall cover 100% replacement cost, and shall include an agreed value endorsement to waive coinsurance.

**Commercial General Liability Increased General Aggregate Limit (or separate aggregate)**

Because the Commercial General Liability form of coverage includes an annual aggregate limitation on the amount of insurance provided, a separate project aggregate limit of N/A is required by the County for this agreement or contract.

**Liquor Liability**

In anticipation of alcohol being served, the Contractor shall provide evidence of coverage for liquor liability in an amount equal to the general/umbrella/excess liability coverage. If the general liability insurance covers liquor liability (e.g. host or other coverage), the Contractor's agent or insurer should provide written documentation to confirm that coverage already applies to this agreement, contract or lease. If needed coverage is not included in the general/umbrella excess liability policy(ies), the policy(ies) must be endorsed to extend coverage for liquor liability, or a separate policy must be purchased to provide liquor liability coverage in the amount required.

**Owners Protective Liability Coverage**

For renovation or construction contracts the Contractor shall provide for the County an owners protective liability insurance policy (preferably through the Contractor's insurer) in the name of the County. This is redundant coverage if the County is named as an additional insured in the Contractor's Commercial General Liability insurance policy. However, this separate policy may be the only source of coverage if the Contractor's liability coverage limit is used up by other claims.

**Builders Risk Coverage**

Builders Risk insurance is to be purchased to cover subject property for all risks of loss (including theft and sinkhole), subject to a waiver of coinsurance, and covering off-site storage, transit and installation risks as indicated in the Installation Floater and

Motor Truck Cargo insurance described hereafter, if such coverages are not separately provided. If flood and/or earthquake risks exist, flood and earthquake insurance are to be purchased. If there is loss of income, extra expense and/or expediting expense exposure, such coverage is to be purchased. If boiler and machinery risks are involved, boiler and machinery insurance, including coverage for testing, is to be purchased.

The Builders Risk insurance is to be endorsed to cover the interests of all parties, including the County and all contractors and subcontractors. The insurance is to be endorsed to grant permission to occupy.

**Installation Floater Coverage**

Installation Floater insurance is to be purchased when Builder's Risk insurance is inappropriate, or when Builder's Risk insurance will not respond, to cover damage or destruction to renovations, repairs or equipment being installed or otherwise being handled or stored by the Contractor, including off-site storage, transit and installation.

The amount of coverage should be adequate to provide full replacement value of the property, repairs, additions or equipment being installed, otherwise being handled or stored on or off premises. All risks coverage is preferred.

**Motor Truck Cargo Coverage**

If the Installation Floater insurance does not provide transportation coverage, separate Motor Truck Cargo or Transportation insurance is to be provided for materials or equipment transported in the Contractor's vehicles from place of receipt to building sites or other storage sites. All risks coverage is preferred.

**Contractor's Equipment Coverage**

Contractor's Equipment insurance is to be purchased to cover loss of equipment and machinery utilized in the performance of work by the Contractor. All risks coverage is preferred. The contract may declare self-insurance for contractor equipment.

**Fidelity/Dishonesty/Liability Coverage – Third Party**

Fidelity/Dishonesty/Liability insurance is to be purchased or extended to cover dishonest acts of the Other Party's employees resulting in a loss to decedent, i.e. theft of valuables.

**Fidelity/Dishonesty Coverage for Employer (Contractor)**

Fidelity/Dishonesty insurance is to be purchased to cover dishonest acts of the Contractor's employees, including but not limited to theft of vehicles, materials, supplies, equipment, tools, etc., especially property necessary to work performed.

**Fidelity/Dishonesty/Liability Coverage for County**

Fidelity/Dishonesty/Liability insurance is to be purchased or extended to cover dishonest acts of the Contractor's employees resulting in loss to the County.

**Electronic Data Liability Insurance**

The Other Party shall purchase Electronic Data Liability with limits of

**Garage Liability Coverage**

Garage Liability insurance is to be purchased to cover the Contractor and its employees for its garage and related operations while in the care, custody and control of the County's vehicles.

**Garage Keepers Coverage (Legal Liability Form)**

Garage Keepers Liability insurance is to be purchased to cover damage or other loss, including comprehensive and collision risks, to the County's vehicles while in the care, custody and control of the Contractor. This form of coverage responds on a legal liability basis, and without regard to legal liability on an excess basis over any other collectible insurance.

**Damage to Premises Rented/Leased to you- (Legal Liability Form)**

Provide property coverage for leased premises due to liability incurred because the insured's negligence results in fire or explosion. Specified limit of liability required.

**Watercraft Liability Coverage**

Because the Contractor's provision of services involves utilization of watercraft, watercraft liability coverage must be provided to include bodily injury and property damage arising out of ownership, maintenance or use of any watercraft, including owned, non-owned and hired.

Coverage may be provided in the form of an endorsement to the general liability policy, or in the form of a separate policy coverage Watercraft Liability or Protection and Indemnity.

**Aircraft Liability Coverage**

Because the Contractor's provision of services involves utilization of aircraft, aircraft liability coverage must be provided to include bodily injury and property damage arising out of ownership, maintenance or use of any aircraft, including owned, non-owned and hired.

The minimum limits of coverage shall be \_\_\_\_\_ per occurrence, Combined Single Limits for Bodily Injury (including passenger liability) and Property Damage.

**Pollution Legal Liability Coverage**

Pollution legal liability insurance is to be purchased to cover pollution and/or environmental legal liability which may arise from this agreement or contract.

**United States Longshoremen and Harbor workers Act Coverage**

The Workers Compensation policy is to be endorsed to include United States Longshoremen and Harbor workers Act Coverage for exposures which may arise from this agreement or contract.

**Jones Act Coverage**

The Workers Compensation policy is to be endorsed to include Jones Act Coverage for exposures which may arise from this agreement or contract.