

GENERAL LIABILITY CLAIMS ADMINISTRATION SERVICES AGREEMENT

This General Liability Claims Administration Services Agreement ("Agreement") is made at Alameda, California, dated for reference this 15th day of November 2013, by and between the City of Alameda, a municipal corporation ("City"), and George Hills Company, a California Corporation, hereinafter referred to as ("Administrator"), who agree as follows:

1. **Services.** Subject to the terms and conditions set forth in this Agreement, Administrator shall provide the City professional services as specified in Exhibit A, entitled "Scope of Work."
2. **Payment.** City shall pay Administrator for services rendered pursuant to this Agreement at the times and in the manner set forth in Exhibit B, entitled "Compensation." The payments specified in Exhibit B shall be the only payments to be made to Administrator for services rendered pursuant to this Agreement.
3. **Facilities and Equipment.** Administrator shall, at its sole cost and expense, furnish all facilities and equipment which may be required for furnishing services pursuant to this Agreement.
4. **Indemnification.** Administrator shall indemnify, defend (with independent counsel approved by the City), and hold harmless the City its officers, officials, employees, agents, and volunteers and each of them from any and all claims, demands, causes of action, damages, costs, expenses, actual attorney's fees, Administrator's fees, expert fees, losses or liability, in law or in equity, of every kind and nature whatsoever arising out of or in connection with Administrator's operations, or any subcontractor's operations, to be performed under this Agreement, for the fullest extent permitted by law, with the exception of the sole active negligence or willful misconduct of the City.

The provisions of this section shall survive the expiration or termination of this Agreement and are not limited by any provisions relating to insurance in this Agreement.

5. **Insurance Requirements.** Administrator agrees to comply with all of the Insurance Requirements set forth in Exhibit C, entitled "Insurance Requirements for Administrator." Failure to maintain required insurance at all times shall constitute a default and material breach.
6. **Accident Reports.** Administrator shall immediately report (as soon as feasible, but not more than 24 hours) to the City's Risk Manager any accident or other occurrence causing injury to persons or property during the performance of this Agreement. The report shall be made in writing and shall include, at a minimum: (a) the names, addresses, and telephone numbers of the persons involved, (b) the names, addresses and telephone numbers of any known witnesses, (c) the date, time and description of the accident or other occurrence.

7. Conflict of Interest. Administrator warrants and represents that to the best of its knowledge, there exists no actual or potential conflict between Administrator's family, business, real property or financial interests and the services to be provided under this Agreement. Administrator shall comply with the City of Alameda Conflict of Interest Code and not enter into any contract or agreement during the performance of this Agreement which will create a conflict of interest with its duties to City under this Agreement. In the event of a change in Administrator's family, business, real property or financial interests occurs during the term of this Agreement that creates an actual or potential conflict of interest, then Administrator shall disclose such conflict in writing to City.

8. Independent Contractor. Administrator is an independent contractor. Neither Administrator nor any of Administrator's officers, employees, agents or subcontractors, if any, is an employee of City by virtue of this Agreement or performance of any services pursuant to this Agreement. City shall have the right to control Administrator only insofar as the results of Administrator's services rendered pursuant to this Agreement; however, City shall not have the right to control the means by which Administrator accomplishes services pursuant to this Agreement.

9. Licences, Permits, Etc. Administrator represents and warrants to City that all Administrator services shall be provided by a person or persons duly licensed by the State of California to provide the type of services to be performed under this Agreement and that Administrator has all the permits, qualifications and approvals of whatsoever nature which are legally required for Administrator to practice its profession. Administrator represents and warrants to City that it shall, at its sole cost and expense, keep in effect at all times during the term of this Agreement any licenses, permits, and approvals which are legally required for Administrator to practice its profession.

10. Business License. Administrator, and its subcontractors, has obtained or agrees to apply prior to performing any services under this Agreement to City's Finance Department for a business license, pay the applicable business license tax and maintain said business license during the term of this Agreement. The failure to obtain such license shall be a material breach of this Agreement and grounds for termination by City. No payments shall be made to Administrator until such business license(s) has been obtained.

11. Standard of Performance. Administrator shall provide products and perform all services required pursuant to this Agreement in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised under similar conditions by a member of Administrator's profession currently practicing in California.

Administrator is responsible for making an independent evaluation and judgment of all conditions affecting performance of the work, including without limitation applicable federal, state, and local laws and regulations, and all other contingencies or considerations.

Administrator's responsibilities under this section shall not be delegated. Administrator shall be responsible to City for acts, errors, or omissions of Administrator's subcontractors.

Administrator is responsible for making an independent evaluation and judgment of all conditions affecting performance of the work and shall prepare plans, reports, and/or other work products in such a way that additional costs will not be incurred or, beyond a project budget approved or amended by the City Manager or his or her designee.

Whenever the scope of work requires or permits review, approval, conditional approval or disapproval by City, it is understood that such review, approval, conditional approval or disapproval is solely for the purposes of administering this Agreement and determining whether the Administrator is entitled to payment for such work, and not be construed as a waiver of any breach or acceptance by the City of any responsibility, professional or otherwise, for the work, and shall not relieve the Administrator of responsibility for complying with the standard of performance or laws, regulations, industry standards, or from liability for damages caused by negligent acts, errors, omissions, noncompliance with industry standards, or the willful misconduct of Administrator.

12. Force Majeure. Neither party shall be considered in default of this Agreement to the extent performances are prevented or delayed by any cause by circumstances beyond either party's reasonable control, such as war, riots, strikes, lockouts, work slow down or stoppage, acts of God, such as floods or earthquakes, and electrical blackouts or brownouts.

In the event that the Administrator is unable to meet the completion date or schedule of services, Administrator shall inform the Risk Manager of the additional time required to perform the work and the City's Risk Manager may adjust the schedule.

13. Time is of the Essence. Time is of the essence in this Agreement. Any reference to days means calendar days, unless otherwise specifically stated.

14. Personnel. Administrator agrees to assign only competent personnel according to the reasonable and customary standards of training and experience in the relevant field to perform services under this Agreement. Failure to assign such competent personnel shall constitute grounds for termination of this Agreement.

Administrator is aware of the requirements of the Immigration Reform and Control Act of 1986 and shall comply with those requirements, including, but not limited to, verifying the eligibility for employment of all of Administrator's officers, employees, agents, and subcontractors that are included in this Agreement.

The payment made to Administrator pursuant to this Agreement shall be the full and complete compensation to which Administrator and Administrator's officers, employees, agents, and subcontractors are entitled for performance of any work under this Agreement. Neither Administrator nor Administrator's officers or employees are entitled

to any salary or wages, or retirement, health, leave or other fringe benefits applicable to employees of the City. The City will not make any federal or state tax withholdings on behalf of Administrator. The City shall not be required to pay any workers' compensation insurance on behalf of Administrator.

Administrator shall pay, when and as due, any and all taxes incurred as a result of Administrator's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request.

Administrator agrees to defend, indemnify and hold harmless, pursuant to the indemnification provisions of this agreement, the City for any obligation, claim, losses, costs, fees, liabilities, suit or demand for tax, retirement contribution including any contribution to the Public Employees Retirement System (PERS), social security, salary or wages, overtime payment, or workers' compensation payment which the City may be required to make on behalf of Administrator or any employee of Administrator, or any employee of Administrator construed to be an employee of the City, for work done under this agreement. This is a continuing obligation that survives the completion of the services, expiration or termination of the Agreement.

15. Administrator Not Agent. Except as authorized under this Agreement or as City may authorize in a letter of authorization signed by the City Manager or his or her designee, Administrator shall have no authority, express or implied to act on behalf of City in any capacity whatsoever as an agent. Administrator shall have no authority, express or implied, under this Agreement, to bind City to any obligation whatsoever.

16. Term.

The term of this Agreement shall commence on November 15, 2013 and shall continue in full force and effect until November 15, 2018.

City shall, at its discretion, have the right to extend the term of this Agreement, in intervals of one year, by written notice to Administrator. The total duration of this Agreement, including the exercise of any options under this section, shall not exceed five (5) years.

17. Termination or Abandonment by City. The City has the right, at any time and in its sole discretion, to immediately terminate or abandon any portion or all of the services to be provided under this Agreement by giving notice to Administrator. Upon receipt of a notice of termination, Administrator shall perform no further work except as specified in the notice. Before the date of termination, Administrator shall deliver to City all work product, whether completed or not, as of the date of termination and not otherwise previously delivered.

The City shall pay Administrator for services performed in accordance with this Agreement before the date of termination. If this contract provides for payment of a lump sum for all services or by task and termination occurs before completion of the work or any defined task which according to the performance schedule was commenced before the notice of termination, the fee for services performed shall be

based on an amount mutually agreed to by City and Administrator for the portion of work completed in conformance with this Agreement before the date of termination. In addition, the City will reimburse Administrator for authorized expenses incurred and not previously reimbursed. The City shall not be liable for any fees or costs associated for the termination or abandonment except for the fees, and reimbursement of authorized expenses, payable pursuant to this section.

18. Products of Consulting Services. The work product, including without limitation, all writings, work sheets, reports, recordings, drawings, files, detailed calculations and other work products, whether complete or incomplete, of Administrator resulting from services rendered pursuant to this Agreement, shall become the property of City. Administrator agrees that all copyrights which arise from creation of the work under this Agreement shall be vested in the City and waives and relinquishes all claims to copyright or other intellectual property rights in favor of the City. City acknowledges that its use of the work product is limited to the purposes contemplated by the scope of work and that the Administrator makes no representation of the suitability of the work product for use in or application to circumstances not contemplated by the scope of work.

Documents submitted to the City in electronic format shall be formatted according to specifications provided by the City, or if not otherwise specified, in Microsoft Word, Excel, PowerPoint or other Microsoft Office Suite (2002) format as appropriate for the particular work product or, if directed by the City's Risk Manager in Adobe Acrobat PDF format.

19. Cooperation by City. City shall, to the extent reasonable and practicable, assist and cooperate with Administrator in the performance of Administrator's services hereunder.

20. Assignment and Subcontracting. Administrator shall not subcontract, assign or transfer voluntarily or involuntarily any of its rights, duties or obligation under this Agreement without the express written consent of the City's Executive Director or his or her designee in each instance. Any attempted or purported assignment of any right, duty or obligation under this Agreement without said consent shall be void and of no effect.

If subcontracting of work is permitted, Administrator shall pay its subcontractor within ten (10) days of receipt of payment by City for work performed by a subcontractor and billed by the Administrator. Use of the term subcontractor in any other provision of this contract shall not be construed to imply authorization for Administrator to use subcontractors for performance of any service under this Agreement.

The City is an intended beneficiary of any work performed by Administrator's subcontractor for purposes of establishing a duty of care between the subcontractor and City.

24. Integration Clause. This Agreement, including all Exhibits, contains the entire agreement between the parties and supersedes whatever oral or written understanding they may have had prior to the execution of this Agreement. This Agreement shall not be amended or modified except by a written agreement executed by each of the parties hereto.

25. Severability Clause. Should any provision of this Agreement ever be deemed to be legally void or unenforceable, all remaining provisions shall survive and be enforceable.

26. Law Governing. This Agreement shall in all respects be governed by the law of the State of California without regard to its conflicts of law rules. Litigation arising out of or connected with this Agreement shall be instituted and maintained in the courts of Alameda County in the State of California or in the United States District Court, Northern District of California, and the parties consent to jurisdiction over their person and over the subject matter of any such litigation in such courts, and consent to service of process issued by such courts.

27. Waiver. Waiver by either party of any default, breach or condition precedent shall not be construed as a waiver of any other default, breach or condition precedent or any other right hereunder.

28. Ambiguity. The parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any party on the basis of such party's draftsmanship thereof.

29. Gender. All pronouns and any variations thereof shall be deemed to refer to the masculine, feminine, neuter, singular or plural, as the identifications of the person or persons, firm or firms, corporation or corporations may require.

30. Headings. The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

31. Compliance with Laws. Administrator will comply with all statutes, regulations and ordinances in the performance of all services under this Agreement.

32. Confidentiality of City Information. During the performance of services under this Agreement, Administrator may gain access to and use City information regarding, but not limited to, procedures, policies, training, operational practices, and other vital information (hereafter collectively referred to as "City Information") which are valuable, special and unique assets of the City. Administrator agrees that it will not use any information obtained as a consequence of the performance of services under this Agreement for any purpose other than fulfillment of Administrator's scope of work, to protect all City Information and treat it as strictly confidential and proprietary to City, and that it will not at any time, either directly or indirectly, divulge, disclose or communicate

in any manner any City Information to any third party, other than its own employees, agents or subcontractors who have a need for the City Information for the performance of services under this Agreement, without the prior written consent of City, or as required by law.

Administrator shall treat all records and work product prepared or maintained by Administrator in the performance of this Agreement as confidential.

A violation by Administrator of this section shall be a material violation of this Agreement and will justify legal and/or equitable relief.

Administrator obligations under this section shall survive the completion of services, expiration or termination of this Agreement.

33. News and Information Release. Administrator agrees that it will not issue any news releases in connection with either the award of this Agreement, or any subsequent amendment of or efforts under this Agreement, without first obtaining review and approval of said news releases from City through the City Representative.

34. City Representative. The City Representative specified in Exhibit A, or the representative's designee, shall administer this Agreement for the City.

35. Counterparts. The parties may execute this Agreement in one or more counterparts, each of which shall be deemed an original, but all of which together shall be deemed one and the same instrument.

36. Authority. The person signing this Agreement for Administrator hereby represents and warrants that he/she is fully authorized to sign this Agreement on behalf of Administrator.

37. Exhibits. The following exhibits are attached hereto and incorporated herein by reference:

Exhibit A, entitled "Scope of Work," including any attachments.

Exhibit B, entitled "Compensation," including any attachments.

Exhibit C, entitled "Insurance Requirements," including any attachments.

IN WITNESS WHEREOF, the parties hereto execute this Agreement in Alameda, California, this 15th day of November, 2013.

GEORGE HILLS COMPANY

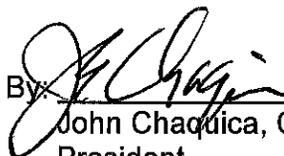
CITY OF ALAMEDA,

Signature 1:

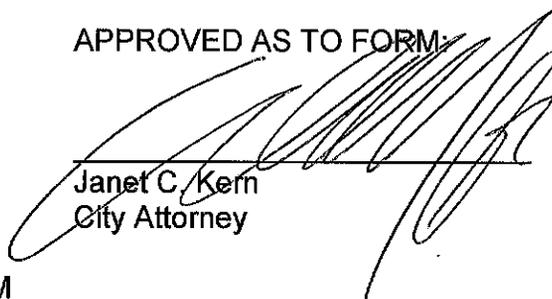
By: 
Michael Kieft, ARM
Chief Executive Officer

By: 
John Russo
City Manager

Signature 2:

By: 
John Chaudica, CPA, MBA, ARM
President

APPROVED AS TO FORM:


Janet C. Kern
City Attorney

RECOMMENDED FOR APPROVAL:

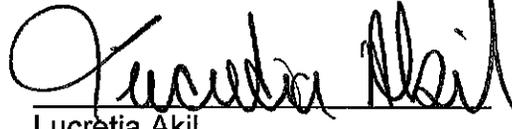

Lucretia Akil
Risk Manager

EXHIBIT A

SCOPE OF WORK

1. Representatives.

The City Representative for this Agreement is:

Lucretia Akil, Risk Manager
City of Alameda City Attorney's Office
2263 Santa Clara Avenue, Room 280
Alameda, CA 94501
Telephone: (510) 747-4762
Facsimile: (510) 865-4047

The Administrator's Representative for this Agreement is:

Michael J. Kielty, ARM
Chief Executive Officer
George Hills Company
3043 Gold Canal Drive, Suite 200
Rancho Cordova, CA 95670-6394
(916) 859-4804 Direct
(916) 859-4805 Fax

All routine administrative communications between the parties will be between the above named representatives and may be by personal delivery, mail, facsimile transmission or electronic mail as agreed between the Administrator representative and City's Representative.

2. Services to be Provided.

A. Claims Handling

Promptly make up a claims file within seven (7) workdays after receipt of the Claim for damages against the City of Alameda from the City. Investigate General Liability and property claims and incidents which may be the subject of such claim against the City. Recommend acceptance/rejection of submitted claims.

1. Assume all open claims existing at the beginning of the contract term.
2. Assess and evaluate the nature and extent of each claim, and establish claim reserves for General damages, property loss, investigation expenses and legal expenses.
3. Ensure timely claim handling, including follow-up all investigation to ensure timely and expeditious processing.
4. Claims Administer provision of all payments authorized according in a timely manner; and maintain ongoing reporting of payment status with the City.
5. Determine the need for defense representation, recommend legal counsel, and monitor litigation activity. Selection of defense and subrogation counsel shall be by the City of Alameda with input from the Claims Administrator.
6. Report claims to the excess insurer, and work with the insurer on a claim's progress, in accordance with the insurer's reporting requirements; submit requests for reimbursement on behalf of the City to the insurer.
7. It will be the Claims Administrator's duty to proceed against responsible persons, agencies, and/or agents in subrogation actions in an effort to recover losses suffered by the City by way of compensable property damage).
8. Penalties incurred as a result of the failure of adjusting firm to comply with any statutory laws and regulations shall be the sole responsibility of adjusting firm. The City shall be notified in writing within 30 days of any penalty paid by the adjusting firm and the reason for the penalty.
9. All mandated notices under Government code 910 (i.e. rejection, late notices, insufficient claims etc.) will be sent by the City. Recommendations from the Claims Administrator will be sent to the City's Risk Manager for handling.
10. Comply with the mandatory reporting requirements of Section 111 ("Medicare Secondary Payer") of the Medicare, Medicaid and SCHIP Extension Act of 2007 (MMSEA) effective July 1, 2009.

B. Litigation

1. Litigation efforts shall be closely monitored by the adjusting firm with regular communications with City staff. City staff must authorize any and all depositions and any subrosa or independent investigative activities.
2. Settlement authority on litigated claims must be approved by City staff prior to being presented or negotiated with claimant's attorney.
3. Prior to any settlement conference, adjusting firm and/or legal counsel whichever is appropriate, will provide a written analysis of the case, including options and recommendation for settlement.
4. City staff must be informed of all settlement offers received from claimant or claimant's attorney.
5. When an application for adjudication has been filed, the adjusting firm is expected to attempt settlement of the claim before recommending assignment to defense counsel.

C. Financial Accounting

1. A fund shall be maintained by the City for the purpose of paying benefits that may be due on the claims. The amount that will be maintained in the fund shall be determined by the City.
2. A copy of all checks, vouchers or warrants drawn by the adjusting firm to pay amounts due on City claims shall be provided to the City.
3. A monthly check/voucher register of all transactions made for the period shall be provided by the adjusting firm.
4. The City reserves the right to conduct a financial audit of the trust account to insure the integrity of the account.

D. Data Products

1. Adjusting firm shall provide a computerized loss analysis and summary report each month covering activity on all newly reported, open, and newly closed claims for the period. This report will be customized for the City's needs and will provide the following by claim year:

- a. Monthly listing of open claims by department, location, and alpha by name.
 - b. Summaries of all open and closed claims, Indemnity and property, at the end of each department and division, and total for City, by claim year.
 - c. Various responsive reports on demand, at no additional charge, such as injury analysis reports, i.e., by age, occupation, cause, site, etc.
 - d. Provide monthly claim summary reports, within 15 days of month-end.
2. Provide loss run data and required reports for actuarial, auditing and reserve analysis purposes.
 3. Prepare and submit in a timely manner all reports, including statistical reports required by the City's excess insurance pool.

E. Additional Services

1. Claims Adjuster will attend all Small Claims Court actions, settlement conferences,, conferences with legal counsel (defense counsel), meetings with City staff, departments and employee groups when required.
2. Communication, written, oral, and in person, with the City staff by the claims examiner is an important element of the services expected.
3. All records, files, transcripts, computer tapes and other materials on general liability adjusting activity developed on the City of Alameda liability and property claims is the property of the City of Alameda and must be relinquished in good order and condition upon termination of this contract with the adjusting firm. The City shall not be required to pay any additional cost for the transfer of files to the City.
4. Attend all meetings with City staff as requested.
5. Be available for spot audit checks by the City when requested.
6. Cooperate with file and program audits with state agencies and City designated auditors.

7. Be available to respond to a major emergency or catastrophe involving the City to expedite claims processing.
8. Provide quarterly report to City staff listing all claims by claim number and client name assigned to City's designated claim adjuster.
9. Provide monthly claims review of all active files and enter review notes on claim daily reporting system.
10. Provide training to City managers and supervisors on claims reporting, responsibilities to employees, and practices to reduce accidents.
11. Provide internet e-mail communications for designated claims adjuster to City staff.
12. Provide an administrative manual on claims processing.
13. Provide 24-hour claims reporting capability.

EXHIBIT B

COMPENSATION

1. Administrator's Compensation.

- A. City agrees to pay Administrator a flat five year fee agreed amount as described below for those services set forth in Exhibit A, based on the following:

Year One – Flat Admin. Fee of \$59,900, plus one time set up fee of \$3,500. Total = \$63,400.

Year Two – Flat Admin. Fee of 59,900

Year Three – Flat Admin. Fee of \$59,900

Year Four – Flat Admin. Fee of \$63,500

Year Five – Flat Admin. Fee of \$63,500

Subrogation recovery services will be charged on a contingency basis equaling 30% of actual recovery.

- B. City agrees to pay Administrator for those services set forth in Exhibit A of this Agreement and for all authorized reimbursable expenses approved by the City, and upon satisfactory completion of the services and delivery of the work product.

C. Additional Services:

1. Additional services are those services related to the scope of Services of Administrator as set forth in Exhibit A but not anticipated at the time of execution of this Agreement ("Additional Services"). Additional Services shall be provided only when authorized by an amendment to this Agreement and approved by the City Manager, or his or her designee. City reserves the right to perform any Additional Services with its own staff or to retain other Administrators to perform said Additional Services. Any costs incurred due to the performance of Additional Services prior to the execution of an amendment will not be reimbursed under this Agreement or an amendment.

2. Administrator's compensation for Additional Services shall be based on the total number of hours spent on Additional Services multiplied by the employees' appropriate billable hourly rate as established below. City, at its option, may negotiate a fixed fee for some or all Additional Services as the need arises. Where a fixed fee for Additional Services is established by mutual agreement between City and Administrator, compensation to Administrator shall not exceed the fixed fee amount.

2. Appropriate Billable Hourly Rates for Additional Services and Subrogation Recovery.

Administrator's billable hourly rates must be approved, in advance, by the City prior to commencement of additional services beyond Exhibit A.

3. Administrator's Reimbursable Expenses.

Reimbursable Expenses shall be limited to actual reasonable expenditures of Administrator for expenses that are necessary for the proper completion of the Services and shall only be payable if specifically authorized in advance by City.

4. Payments to Administrator.

A. Payments to Administrator shall be made within a reasonable time after receipt of Administrator's invoice, said payments to be made in proportion to services performed. Administrator will receive payment on a monthly basis. Administrator shall be responsible for the cost of supplying all documentation necessary to verify the monthly billings to the satisfaction of City.

B. All invoices submitted by Administrator shall contain the following information:

1. Description of services billed under this invoice
2. Date of Invoice Issuance
3. Sequential Invoice Number
4. City's Purchase Order Number (if issued)
5. Social Security Number or Taxpayer Identification Number
6. Amount of this Invoice (Itemize all Reimbursable Expenses")
7. Total Billed to Date

C. Items shall be separated into Services and Reimbursable Expenses. Billings that do not conform to the format outlined above shall be returned to Administrator for correction. City shall not be responsible for delays in payment to Administrator resulting from Administrator's failure to comply with the invoice format described above.

D. Request for payment shall be sent to:

Lucretia Akil, Risk Manager
City of Alameda City Attorney's Office
2263 Santa Clara Avenue, Room 280
Alameda, CA 94501

5. Accounting Records of Administrator.

Administrator shall maintain for three (3) years after completion of all services hereunder, all records under this Agreement, including, but not limited to, records of Administrator's direct salary costs for all Services and Additional Services performed under this Agreement and records of Administrator's Reimbursable Expenses, in accordance with generally accepted accounting practices. Administrator shall keep such records available for audit, inspection and copying by representatives of the City's Finance Department or other government agencies during regular business hours upon twenty four (24) hours' notice.

The obligations of Administrator under this section shall survive this Agreement.

6. Taxes.

Administrator shall pay, when and as due, any and all taxes incurred as a result of Administrator's compensation hereunder, including estimated taxes, and shall provide City with proof of such payments upon request. Administrator hereby agrees to indemnify and defend City for any claims, losses, costs, fees, liabilities, damages or injuries suffered by City arising out of Administrator's breach of this section pursuant to the Indemnification provisions of this Agreement.

7. Taxpayer Identification Number. Administrator shall provide City with an IRS Form W-9, Request for Taxpayer Identification Number and Certification, containing an original signature and any other State or local tax identification number requested by City.

EXHIBIT C

INSURANCE REQUIREMENTS

Administrator shall procure and maintain for the duration of this Agreement, including any extensions thereto, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of services hereunder by the Administrator, their agents, representatives, or employees or subcontractors.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office form number GL 0002 (Ed. 1/73) covering Comprehensive General Liability and Insurance Services Office form number GL 0404 covering Broad Form Comprehensive General Liability; or Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 (Ed. 1/78) covering Automobile Liability, code 1 any auto and endorsement CA 0025.
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
4. Professional Liability insurance appropriate to the Administrator's profession (Errors and Omission).

B. Minimum Limits of Insurance

Administrator shall maintain limits no less than:

1. General Liability: \$2,000,000 per occurrence for bodily injury, personal injury and property damage and \$3,000,000 general aggregate. If Commercial General Liability Insurance or other form with a general aggregate limit is used, coverage shall be twice the per occurrence amount.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

3. **ADDITIONAL INSURED:** City, its City Council, boards and commissions, officers, employees and volunteers shall be named as an additional insured under all insurance coverages, except any professional liability insurance, required by this Agreement. The naming of an additional insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.
4. **Workers' Compensation and Employer's Liability:** \$1,000,000 per accident for bodily injury or disease. If Administrator is not subject to California Workers' Compensation requirements, Administrator shall file a completed certificate of exemption form which may be obtained from the City prior to commencing any activity authorized hereunder.
5. **Professional Liability (Errors and Omission):** \$1,000,000 combined single limit per claim, and annual aggregate.
6. **SUBROGATION WAIVER:** Claims Administrator agrees that in the event of loss due to any of the perils for which he/she has agreed to provide comprehensive general and automotive liability insurance, Claims Administrator shall look solely to his/her insurance for recovery. Claims Administrator hereby grants to City, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Claims Administrator or City with respect to the services of Claims Administrator herein, a waiver of any right to subrogation, which any such insurer of said Claims Administrator may acquire against City by virtue of the payment of any loss under such insurance.
7. **FAILURE TO SECURE:** If Claims Administrator at any time during the term hereof should fail to secure or maintain the foregoing insurance, City shall be permitted to obtain such insurance in the Claims Administrator's name or as an agent of the Claims Administrator and shall be compensated by the Claims Administrator for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

8. SUFFICIENCY OF INSURANCE: The insurance limits required by City are not represented as being sufficient to protect Claims Administrator. Claims Administrator is advised to confer with Claims Administrator's insurance broker to determine adequate coverage for Claims Administrator.

C. Deductible and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by the City's Risk Manager. If the deductibles or self-insured retention limit is unacceptable to the City's Risk Manager, at his or her option, the insurer shall either reduce or eliminate such deductibles or self-insured retention as respects the City of Alameda, its officers, officials, employees and volunteers; or the Administrator shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

D. Other Insurance Provisions

The general liability and automobile liability policies, as can be provided, are to contain, or be endorsed to contain, the following provisions:

1. The City of Alameda, its officers, officials, employees, agents and volunteers are to be covered as additional insureds as respects; liability, including defense costs, arising out of activities performed by or on behalf of the Administrator; products and completed operations of the Administrator; premises owned, occupied or used by the Administrator or automobiles owned, leased hired or borrowed by the Administrator. The coverage shall contain no special limitations on the scope of protection afforded to the City of Alameda, its officers, officials, employees, agents or volunteers. The insurance is to be issued by companies licensed to do business in the State of California.
2. For any claims related to this project, the Administrator's insurance coverage shall be primary insurance as respects the City of Alameda, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the City of Alameda, its officers, officials, employees, agents or volunteers shall be excess of the Administrator's insurance and shall not contribute with it.

3. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees, agents or volunteers.
4. The Administrator's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

The workers' compensation and employer's liability policy required hereunder shall be endorsed to state that the workers' compensation carrier waives its right of subrogation against City, its officers, officials, employees, agents and volunteers, which might arise by reason of payment under such policy in connection with Administrator's performance under this Agreement.

E. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

F. Verification of Coverage

Administrator shall furnish the City with original certificates of insurance for all insurances required by this Agreement and endorsements effecting general and automobile liability insurance coverage required by this clause. The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. All endorsements are to be received and approved by the City's Risk Manager before work commences. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements affecting the coverage, by this Agreement at any time. All verification of coverage and other insurance documents shall be mailed to the following address or to any other subsequent address as may be directed in writing by the City's Risk Manager:

City of Alameda, City Attorney's Office
Attention: Risk Manager
2263 Santa Clara Avenue, Room 280
Alameda, CA 94501

G. Subcontractors

Administrator shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

H. Payment Withhold

City will withhold payments to Administrator if the certificates of insurance and endorsements required in Paragraph F, above, are canceled or Administrator otherwise ceases to be insured as required herein.