

# Amador County

## Standard Insurance, Bonds & Prevailing Wage Requirements for

### Purchase Orders with Amador County

#### INSURANCE REQUIREMENTS FOR CONTRACTORS AND CONSULTANTS ONLY

**Insurance.** Contractor or Consultant shall procure and maintain for the duration of the contract 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 Consultant, its agents, representatives, or employees. Within **five (5)** business days of award of the Bid to Consultant, Consultant shall furnish to County satisfactory proof that Consultant has the following insurance:

1. Minimum Scope and Limit of Insurance: Coverage shall be at least as broad as:
  - 1.1 Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.
  - 1.2 Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Consultant has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
  - 1.3 Workers’ Compensation insurance as required by the State of California, with Statutory Limits, and Employer’s Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease.  
  
(If Consultant has no employees a Certificate of Exemption from Worker’s Compensation Laws must be completed using the County’s form and submitted with all other insurance documents).
  - 1.4 Professional Liability (Errors and Omissions) Insurance appropriate to the Consultant’s profession, with limit no less than \$2,000,000 per occurrence or claim, \$2,000,000 aggregate.

Broader Coverage/Higher Limits: If the Consultant maintains broader coverage and/or higher limits than the minimums shown above, the County requires and shall be entitled to the broader coverage and/or higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the County.

2. **The insurance policies are to contain, or be endorsed to contain, the following provisions:**
  - 2.1 Additional Insured Status: The County, its officers, officials, employees, and volunteers are to be covered as additional insureds on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant’s insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10, CG 20 26, CG 20 33, or CG 20 38; and CG 20 37 forms if later revisions used).
  - 2.2 Primary Coverage: For any claims related to this contract, the Consultant’s insurance coverage shall be primary insurance primary coverage at least as broad as ISO CG 20 01 04 13 as respects the County, its officers, officials, employees, and volunteers. Any

insurance or self-insurance maintained by the County, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

- 2.3 Notice of Cancellation: Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the County.
- 2.4 Waiver of Subrogation: Consultant hereby grants to County a waiver of any right to subrogation which any insurer of said Consultant may acquire against the County by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of whether or not the County has received a waiver of subrogation endorsement from the insurer.
3. Self-Insured Retentions: Self-insured retentions must be declared to and approved by the County. The County may require the Consultant to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or County.
4. Acceptability of Insurers: Insurance is to be placed with insurers authorized to conduct business in the state with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the County.
5. Claims Made Policies: If any of the required policies provide coverage on a claims-made basis:
  - 5.1 The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
  - 5.2 Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
  - 5.3 If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.
6. Verification of Coverage: Consultant shall furnish the County with Certificates of Insurance including all required amendatory endorsements (or copies of the applicable policy language effecting coverage required by this clause) and a copy of the Declarations and Endorsement Page of the CGL policy listing all policy endorsements to County before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. The County reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time. **Certificates and endorsements shall refer to the Project or Work. Certificates of Insurance shall list the Certificate Holder as: County of Amador, Attn: (Department, Title, and Address of Contract Administrator). Contractor shall provide all insurance documentation to the Contract Administrator.**
7. Subcontractors: Consultant shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and Consultant shall ensure that County is an additional insured on insurance required from subcontractors.
8. Special Risks or Circumstances: County reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

**Prevailing Wage**

Contractor and/or Consultant and County acknowledge that portions of the work to be performed hereunder may be subject to payment of prevailing wages in accordance with California law. For all covered work, Contractor and/or Consultant must comply with California prevailing wage laws (California Labor Code section 1770 *et seq.*), and must pay and require payment of wages according to prevailing wage rates established by the California Department of Industrial Relations. Contractor and/or Consultant is advised to obtain current prevailing wage documents entitled “Basic Trades or Sub-Trades Rates” as determined by the Director of the California Department of Industrial Relations, available for review at: [http://www.dir.ca.gov/DLSR/statistics\\_research.html](http://www.dir.ca.gov/DLSR/statistics_research.html), or mail to; Department of Industrial Relations, Division of Labor Statistics and Research, P.O. Box 420603, San Francisco, CA 94142-0603, or call (415) 703-4780. (A copy is also available via the Internet at the Public Works Agency offices). Contractor and/or Consultant shall indemnify, defend and hold County harmless from any loss, damage, liability or expense resulting from Contractor’s and/or Consultant’s failure to comply with applicable prevailing wage statutes.

**Bonds**

1. Any Public Work over \$,4000.00 Contractor shall be required to furnish a Performance Bond in an amount equal to one hundred percent (100%) of the Contract price and, if contract price exceeds \$25,000.00 dollars a Payment Bond in an amount equal to one hundred percent (100%) of the Contract price.
  2. Within **ten (10)** business days following award of the Bid to Contractor, Contractor must file with County the following bonds:
    - a. Corporate surety bond, in the form of **Attachment “C”** to this Contract, in a sum not less than 100% of the Contract Price, to guarantee faithful performance of Contract (“Performance Bond”).
    - b. Corporate surety bond, in the form of **Attachment “D”** to this Contract, in a sum not less than 100% of the Contract Price, to guarantee payment of wages for services engaged and of bills contracted for materials, supplies, and equipment used in performance of Contract (“Labor and Material Bond”).
  3. Corporate sureties on these bonds and on bonds accompanying Proposals must meet at least one of the following minimum requirements:
    - a. A California admitted surety with either a current A.M. Best rating of A VII.  
  
OR
    - b. An admitted surety insurer which complies with the provisions of the Code of Civil Procedure, Section 995.660.\*  
  
OR
    - c. In lieu of 1 & 2, a company of equal financial size and stability that is approved by the County's Risk Manager.
- \* California Code of Civil Procedure Section 995.660 in summary, states that an admitted surety must provide: 1) the original, or a certified copy of instrument authorizing the person who executed the bond to do so, within 10 calendar days of receipt of a request to submit the instrument; 2) a certified copy of the Certificate of Authority issued by the Insurance Commissioner, within 10 calendar days of receipt of a request to submit the copy; 3) a certificate from County Clerk of Amador County that Certificate of Authority has not been surrendered, revoked, canceled, annulled or suspended, within 10 calendar days of receipt of the certificate; 4) copies of the surety's most recent annual statement and quarterly statement filed with the Department of Insurance pursuant to Article 10, within 10 calendar days of receipt of a request to submit the statements.
4. The Contract Price, as used to determine amounts of bonds, shall be the total amount fixed in the Contract for performance of the Work (or corrected total if errors are found).

5. For increases in the Contract Price by Change Orders, or otherwise, which in the aggregate equal or exceed ten percent (10%) of the Contract Price, and for all such subsequent increases in the Contract Price thereafter, Contractor shall submit to County evidence of additional bond coverage for such increases in the Contract Price. Contractor shall be compensated for such additional bond coverage.
6. If the successful bidder fails to sign the Contract, return it to County's **GSA Director**, and furnish the bonds in the sums specified in the Contract Documents with a surety satisfactory to County Risk Manager within **ten (10)** days following the award of the Bid, County may, at its option, determine that the bidder has abandoned the Contract, and thereupon the bid and the acceptance thereof shall be null and void, and the security accompanying the bid or the Contract shall be forfeited and become the property of County of Amador.
7. During the period covered by the Contract, if any of the sureties upon the bonds shall become insolvent or unable, in the opinion of County, to pay promptly the amount of such bonds to the extent to which surety might be liable, Contractor, within thirty (30) days after receiving written notice, shall provide supplemental bonds or otherwise substitute another and sufficient surety approved by County in place of the surety becoming insolvent or unable to pay. If Contractor fails within such thirty (30)-day period to substitute another and sufficient surety, Contractor shall, if County so elects, be deemed to be in default in the performance of its obligations hereunder and upon its bid and performance bonds, and County, in addition to any and all other remedies, may terminate the Contract, bring suit or other proceedings against Contractor and the sureties, or may take such other actions as County may deem necessary to protect itself against any potential default by the surety.

***SB 854 Public Works Contractor's Registration Law***

**Notice:** A Contractor or Subcontractor shall not be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for Public Work, as defined in this chapter, unless currently registered and qualified to perform Public Work pursuant to Section 1725.5 of the Labor Code. It is not a violation of this section for an unregistered contractor to submit a bid that is authorized by Section 7029.1 of the Business and Professions Code or by Section 10164 or 20103.5 of the Public Contract Code, provided the contractor is registered to perform Public Work pursuant to Section 1725.5 of the Labor Code at the time the contract is awarded.

**CONSTRUCTION PERFORMANCE BOND**

This Construction Performance Bond ("Bond") is dated \_\_\_\_\_, 20\_\_\_\_, is in the penal sum of \$\_\_\_\_\_, and is entered into by and between the parties listed below to ensure the faithful performance of the Construction Contract listed below. The Bond consists of this page and the Bond Terms and Conditions, Paragraphs 1 through 12, attached to this page. Any singular reference to \_\_\_\_\_ ("Contractor"), \_\_\_\_\_ ("Surety"), County of Amador ("County") or other party shall be considered plural where applicable.

CONTRACTOR:

SURETY:

Firm Name: \_\_\_\_\_

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Address of Principal Place of  
Business: \_\_\_\_\_  
\_\_\_\_\_

COUNTY OF AMADOR  
810 Court Street  
Jackson, CA 95642

Project Manager:

Construction Contract:

\_\_\_\_\_  
Location: Amador County, CA

Construction Contract dated \_\_\_\_\_,  
20\_\_\_\_ in the amount of  
\$\_\_\_\_\_.

CONTRACTOR AS PRINCIPAL  
Company: (Corp. Seal)

SURETY  
Company: (Corp. Seal)

Signature: \_\_\_\_\_  
Name and Title

Signature: \_\_\_\_\_  
Name and Title

## BOND TERMS AND CONDITIONS

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to County for the complete and proper performance of the Construction Contract, which is incorporated herein by reference.
2. If Contractor completely and properly performs all of its obligations under the Construction Contract, Surety and Contractor shall have no obligation under this Bond.
3. If there is no County Default, Surety's obligation under this Bond shall arise after:
  - 3.1 County has declared a Contractor Default under the Construction Contract pursuant to the terms of the Construction Contract; and
  - 3.2 County has agreed to pay the Balance of the Contract Sum to:
    - 3.2.1 Surety in accordance with the terms of this Bond and the Construction Contract, or
    - 3.2.2 To a contractor selected to perform the Construction Contract in accordance with the terms of this Bond and the Construction Contract.
4. When County has satisfied the conditions of Paragraph 3, Surety shall promptly (within thirty (30) days) and at Surety's expense elect to take one of the following actions:
  - 4.1 Arrange for Contractor, with consent of County, to perform and complete the Construction Contract (but County may withhold consent, in which case Surety must elect an option described in paragraphs 4.2, 4.3 or 4.4, below); or
  - 4.2 Undertake to perform and complete the Construction Contract itself, through its agents or through independent contractors; or
  - 4.3 Obtain bids from qualified contractors acceptable to County for a contract for performance and completion of the Construction Contract, and, upon determination by County of the lowest responsible bidder, arrange for a contract to be prepared for execution by County and the contractor selected with County's concurrence, to be secured with performance and payment bonds executed by a qualified surety equivalent to the bonds issued on the Construction Contract; and, if Surety's obligations defined in Paragraph 6, below, exceed the Balance of the Contract Sum, then Surety shall pay to County the amount of such excess; or
  - 4.4 Waive its right to perform and complete, arrange for completion, or obtain a new contractor and with reasonable promptness under the circumstances, and, after investigation and consultation with County, determine in good faith the amount for which it may then be liable to County under Paragraph 6, below, for the performance and completion of the Construction Contract and, as soon as practicable after the amount is determined, tender payment therefor to County with full explanation of the payment's calculation. If County accepts Surety's tender under this paragraph 4.4, County may still hold Surety liable for future damages then unknown or unliquidated resulting from Contractor Default. If County disputes the amount of Surety's tender under this paragraph 4.4, County may exercise all remedies available to it at law to enforce Surety's liability under paragraph 5 below.
5. If Surety does not proceed as provided in Paragraph 4, above, then Surety shall be deemed to be in default on this Bond ten (10) days after receipt of an additional written notice from County to Surety demanding that Surety perform its obligations under this Bond. At all times County shall be entitled to enforce any remedy available to County at law or under the Construction Contract including,

without limitation, and by way of example only, rights to perform work, protect work, mitigate damages, or coordinate work with other consultants or contractors.

6. Surety's monetary obligation under this Bond is limited by the amount of this Bond. Subject to these limits, Surety's obligations under this Bond are commensurate with the obligations of Contractor under the Construction Contract. Surety's obligations shall include, but are not limited to:
  - 6.1 The responsibilities of Contractor under the Construction Contract for completion of the Construction Contract and correction of defective work;
  - 6.2 The responsibilities of Contractor under the Construction Contract to pay liquidated damages, and for damages for which no liquidated damages are specified in the Construction Contract, actual damages caused by non-performance of the Construction Contract, including but not limited to all valid and proper backcharges, offsets, payments, indemnities, or other damages,
  - 6.3 Additional legal, design professional and delay costs resulting from the Contractor Default or resulting from the actions or failure to act of Surety under Paragraph 4, above.
7. No right of action shall accrue on this Bond to any person or entity other than County or its heirs, executors, administrators, or successors.
8. Surety hereby waives notice of any change, alteration or addition to the Construction Contract or to related subcontracts, purchase orders and other obligations, including changes of time. Surety consents to all terms of the Construction Contract, including provisions on changes to the Contract. No extension of time, change, alteration, modification, deletion, or addition to the Contract Documents, or of the work required thereunder, shall release or exonerate Surety on this Bond or in any way affect the obligations of Surety on this Bond.
9. Any proceeding, legal or equitable, under this Bond shall be instituted in any court of competent jurisdiction where a proceeding is pending between County and Contractor regarding the Construction Contract, or in the courts of the County of Amador, or in a court of competent jurisdiction in the location in which the work is located.
10. Notice to Surety, County or Contractor shall be mailed or delivered to the address shown on the signature page.
11. Any provision in this Bond conflicting with any statutory or regulatory requirement shall be deemed deleted herefrom and provisions conforming to such statutory requirement shall be deemed incorporated herein.
12. Definitions:
  - 12.1. Balance of the Contract Sum: The total amount payable by County to Contractor pursuant to the terms of the Construction Contract after all proper adjustments have been made under the Construction Contract, for example, deductions for progress payments made, and increases/decreases for approved modifications to the Construction Contract.
  - 12.2 Construction Contract: The agreement between County and Contractor identified on the signature page, including all Contract Documents and changes thereto.
  - 12.3 Contractor Default: Material failure of Contractor, which has neither been remedied nor waived, to perform or otherwise to comply with the terms of the Construction Contract, including but not limited to the provisions of the General Conditions.

- 12.4 County Default: Material failure of County, which has neither been remedied nor waived, to pay Contractor progress payments due under the Construction Contract or to perform other material terms of the Construction Contract, if such failure is the cause of the asserted Contractor Default and is sufficient to justify Contractor termination of the Construction Contract.

**END OF DOCUMENT**



**CONSTRUCTION LABOR AND MATERIAL PAYMENT BOND**

This Construction Labor and Material Payment Bond (“Bond”) is dated \_\_\_\_\_, 20\_\_\_, is in the penal sum of \$ \_\_\_\_\_, and is entered into by and between the parties listed below to ensure the payment of claimants under the Construction Contract listed below. The Bond consists of this page and the Bond Terms and Conditions, Paragraphs 1 through 13, attached to this page. Any singular reference to \_\_\_\_\_ (“Contractor”), \_\_\_\_\_ (“Surety”), County of Amador (“County”) or other party shall be considered plural where applicable.

CONTRACTOR:

SURETY:

Firm Name: \_\_\_\_\_

Firm Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Address of Principal Place of Business:  
\_\_\_\_\_  
\_\_\_\_\_

COUNTY OF AMADOR  
810 Court Street  
Jackson, CA 95642

Project Manager:

Construction Contract:

\_\_\_\_\_  
Location: Amador County, CA

Construction Contract dated \_\_\_\_\_,  
20\_\_\_ in the amount of  
\$ \_\_\_\_\_.

CONTRACTOR AS PRINCIPAL  
Company: (Corp. Seal)

SURETY  
Company: (Corp. Seal)

Signature:  
\_\_\_\_\_  
Name and Title

Signature:  
\_\_\_\_\_  
Name and Title

## BOND TERMS AND CONDITIONS

1. Contractor and Surety, jointly and severally, bind themselves, their heirs, executors, administrators, successors and assigns to County and to Claimants to pay for labor, materials and equipment furnished for use in the performance of the Construction Contract, which is incorporated herein by reference.
2. With respect to County, this obligation shall be null and void if Contractor:
  - 2.1 Promptly makes payment, directly or indirectly, for all sums due Claimants; and
  - 2.2 Defends, indemnifies and holds harmless County from all claims, demands, liens or suits by any person or entity who furnished labor, materials or equipment for use in the performance of the Construction Contract, provided County has promptly notified Contractor and Surety (at the address described in Paragraph 10) of any claims, demands, liens or suits and tendered defense of such claims, demands, liens or suits to Contractor and Surety, and provided there is no County Default.
3. With respect to Claimants, this obligation shall be null and void if Contractor promptly makes payment, directly or indirectly through its subcontractors, for all sums due Claimants. However, if Contractor or its subcontractors fail to pay any of the persons named in Section 9100 of the California Civil Code, or amounts due under the Unemployment Insurance Code with respect to work or labor performed under the Construction Contract, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of Contractor or subcontractors pursuant to Section 13020 of the Unemployment Insurance Code, with respect to such work and labor, then Surety will pay for the same and also, in case suit is brought upon this bond, a reasonable attorneys' fee, to be fixed by the court.
4. Consistent with the California Mechanic's Lien Law, Civil Code §8000, et seq., Surety shall have no obligation to Claimants under this Bond unless the Claimant has satisfied all applicable notice requirements.
5. Surety's total obligation shall not exceed the amount of this Bond, and the amount of this Bond shall be credited for any payments made in good faith by Surety under this Bond.
6. Amounts due Contractor under the Construction Contract shall be applied first to satisfy claims, if any, under any Construction Performance Bond and second, to satisfy obligations of Contractor and Surety under this Bond.
7. County shall not be liable for payment of any costs, expenses, or attorneys' fees of any Claimant under this Bond, and shall have under this Bond no obligations to make payments to, give notices on behalf of, or otherwise have obligations to Claimants under this Bond.
8. Surety hereby waives notice of any change, including changes of time, to the Construction Contract or to related subcontracts, purchase orders and other obligations.
9. Suit against Surety on this Payment Bond may be brought by any Claimant, or its assigns, at any time after the Claimant has furnished the last of the labor or materials, or both, but, per Civil Code §9558, must be commenced before the expiration of six months after the period in which stop notices may be filed as provided in Civil Code §9356.
10. Notice to Surety, County or Contractor shall be mailed or delivered to the address shown on the signature page. Actual receipt of notice by Surety, County or Contractor, however accomplished, shall be sufficient compliance as of the date received at the address shown-on the signature page.

11. This Bond has been furnished to comply with the California Mechanic's Lien Law, including, but not limited to, Civil Code §§9550, 9554, *et seq.* Any provision in this Bond conflicting with said statutory requirements shall be deemed deleted herefrom and provisions conforming to such statutory or other legal requirements shall be deemed incorporated herein. The intent is that this Bond shall be construed as a statutory bond and not as a common law bond.
12. Upon request by any person or entity appearing to be a potential beneficiary of this Bond, Contractor shall promptly furnish a copy of this Bond or shall permit a copy to be made.
13. DEFINITIONS
  - 13.1.1 Claimant: An individual or entity having a direct contract with Contractor or with a subcontractor of Contractor to furnish labor, materials or equipment for use in the performance of the Construction Contract, as further defined in California Civil Code §9100. The intent of this Bond shall be to include without limitation in the terms "labor, materials or equipment" that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental equipment used in the Construction Contract, architectural and engineering services required for performance of the work of Contractor and Contractor's subcontractors, and all other items for which a stop notice might be asserted. The term Claimant shall also include the Unemployment Development Department as referred to in Civil Code §9554.
  - 13.1.2 Construction Contract: The agreement between County and Contractor identified on the signature page, including all Contract Documents and changes thereto.
  - 13.1.3 County Default: Material failure of County, which has neither been remedied nor waived, to pay Contractor as required by the Construction Contract, provided that failure is the cause of the failure of Contractor to pay the Claimants and is sufficient to justify Contractor termination of the Construction Contract.

**END OF DOCUMENT**