

EXHIBIT A

STATEMENT OF WORK

March 11, 2015

Santa Barbara County Flood Control & Water Conservation District
123 East Anapamu Street
Santa Barbara, CA 93101
Attn: Mr. Matt Griffin, P.E.

**SUBJECT: PROPOSAL FOR CONSTRUCTION MANAGEMENT & INSPECTION SERVICES,
LOWER MISSION CREEK, REACH 1B**

Dear Mr. Griffin:

Thank you for the opportunity to submit our proposal to perform Construction Management and Inspection services for the Lower Mission Creek, Reach 1B Project for the Santa Barbara County Flood Control and Water Conservation District (Flood Control).

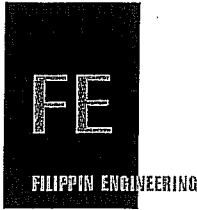
Filippin Engineering (FE) proposes a team that has worked on previous Flood Control projects, including the Lower Mission Creek, Reach 1A, Phase 1 Project downstream of the proposed project, Reach 2B, Phase 1 Project across the Santa Barbara Amtrak train station parking lot, and Mason Street Bridge Replacement Project/Lower Mission Creek, Reach 1A, Phase 1 Project. In addition, FE also has experience working with the various agencies involved on the project including the City of Santa Barbara and various regulatory agencies. We also gained familiarity with the project from our detailed initial review of the contract documents. We believe that our proven performance will facilitate the construction work and minimize delays, cost overruns, and construction claims.

UNDERSTANDING OF THE PROJECT

FE's understanding of the project is based upon our recent conversations with Flood Control staff, previous proposals for this project, and bid plan and specification sets and addendum 1. Our staffing, approach, and proposed services are based on our understanding of these documents and conversations. We are flexible in working with Flood Control to meet specific needs of each project, and welcome any suggestions to our approach in this proposal or throughout the performance of the work. Filippin Engineering also complies with all prevailing wage requirements for inspection on all projects we undertake.

PROJECT STAFFING

Based on previous projects of this scope and magnitude and our current staffing level at adjacent projects it is our experience that FE would need to provide a part time construction manager, office engineer support, and full time construction inspector to effectively perform the scope of services required. We believe that all necessary coordination, site observation, construction documentation, and



other tasks necessary to administer a successful construction project can be accomplished within this amount of time. For purposes of this proposal, we are estimating a Construction Manager at 2 hours/day, a half-time Office Engineer/Assistant Construction Manager, and a full-time Construction Inspector.

FE proposes to staff the project with the following professionals:

Kelly R. Wheeler, P.E., Construction Manager

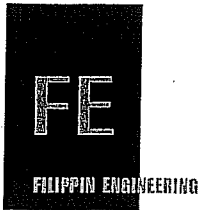
Ms. Wheeler will act as the Project Manager/Resident Engineer, and primary contact for the project. Ms. Wheeler is a registered civil engineer with over 15 years of design and construction experience. She will be responsible for the management of the work at the construction site, overseeing inspection of the work, communication with the Contractor, flow of information between the Contractor and the Owner, coordination with the various agencies and project stakeholders, coordination with adjacent projects, scheduling and coordination with Project Environmental Coordinator and materials testing laboratory, oversight and organization of the document control, and public relations. Ms. Wheeler has experience as the Project Manager for previous Flood Control projects, including Lower Mission Creek, Reaches 1A, Phase 1, Reach 2B-1, and Reach 1A-2.

Raul Estrada, Office Engineer/Assistant Resident Engineer/Construction Inspector

Raul Estrada is a Senior Construction Inspector who has a very versatile skill set, and can perform office engineering support to the resident engineer, be available as an alternate assistant resident engineer in the event additional support is required during peak construction times, and can fill in for the construction inspector as required. Raul has extensive experience working as a construction management consultant for various Public Works projects. Most recently, he completed a 2-year highway improvement project for Caltrans District 5 OSC that involved the construction of seven new bridge structures, one bridge widening, MSE wall, retaining walls, and tie-back wall. Mr. Estrada's duty as Assistant Structures Representative included construction management, construction inspection, and material sampling and testing per Caltrans methods. He has also been onsite assisting Mr. Pecile with construction inspection and Ms. Wheeler with document management on the Mason Street Bridge and Lower Mission Creek 1A-2 project, so is familiar with the area and the secant pile wall design. He is also familiar with Flood Control staff, having been the inspector and assistant CM on the Mud Lakes project.

John Perrizo, Construction Inspector

Mr. Perrizo will be assigned the Construction Inspection duties for this project. John has 40 years of experience in the construction industry working in professional roles from both the inspector and contractor point of view. He has had the opportunity to be involved with a number of major public works projects on the Central Coast in addition to previously working as a foundation contractor, bringing a unique perspective that will be of value to this particular project. Throughout his career, including his inspection role on LMC 1A-1, he has consistently demonstrated a propensity for community outreach and public relations which will be particularly valuable to this project.



On-Call Project Staffing

Filippin Engineering understands that a project of this nature and duration requires a designated replacement should the need arise, such as illness, vacation, or family emergency. For this reason it is our practice to designate on-call staff for significant projects. The following are their short biographies:

Gino Filippin, P.E. , Quality Control Manager

Mr. Filippin will be available as a resource for staff on the project, and will remain apprised of the progress to fill in when there is a need for additional management, such as times when both the Mason Street Bridge/LMC 1A-2 Project and the LMC 1B project have crucial concurrent items. Mr. Filippin has over 30 years of experience in engineering design, construction management, construction engineering, contract administration, construction claims avoidance, and construction inspection. He will periodically perform quality control and assurance, and visit the construction site to review the work in progress and to assist the construction management team if needed. As he proved during the Reach 1A, Phase 1 project, Gino is a valuable resource, especially in the area of claims negotiations.

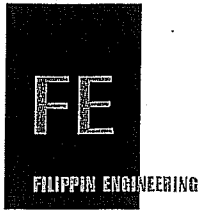
Marco Pecile, Construction Inspector

Mr. Pecile is the inspector on the adjacent, concurrent, Mason Street Bridge and LMC Reach 1A-2 Project. On items of work that do not require full-time inspection, he will be onsite to fill in for Mr. Perrizo, and can be available for short-term absences on the project. He brings to Filippin Engineering over 14 years of experience in the construction industry. In addition to inspection and project management roles, Mr. Pecile also has background from the contractor perspective, having been employed as an operations manager, project manager, project engineer, and construction estimator, in addition to having obtained his contractor's license. He has experience with a variety of private and public works projects, including pipelines, structures, shoring, and mass excavation. Marco was also the inspector for the three final months of the Lower Mission Creek, Reach 1A, Phase 1 project, and was the construction inspector on the Montecito Creek Fish Passage Project, both administered by Flood Control. He most recently has performed construction inspection on the State Route (SR) 23 Soundwall, Lewis Road Screenwall, and City of Goleta's Los Carneros Roundabout projects for Filippin Engineering.

Cheril Magallanes, Administrative Assistance

Cheril Magallanes will provide administrative assistance on the project. Because of the level of coordination required for this project, Cheril will be assisting Ms. Wheeler by establishing and maintaining the document control system, along with assistance in preparing meeting minutes, responses to submittals and RFIs, draft CCOs, and closeout documentation. She will also be performing the labor compliance monitoring on the project.

Also available as resources on the project are: Kevin Connors (Construction Manager), Matt Davis (Construction Manager on nearby Cota Bridge), Fernando Perez (Construction Inspector), and Dean Johe



(Construction Inspector). Resumes for our staff are available upon request, but not included as part of this proposal, most having prior experience working with Flood Control staff.

PROJECT APPROACH

Public Works Construction of any kind is full of many unknown challenges, and this project is no exception. In order to meet those challenges, Filippin Engineering's approach is to work as an extension of Flood Control staff, with early and often communication. As Project Manager, Ms. Wheeler will continually monitor and coordinate the scope of services with Flood Control's project manager and the project team, making certain that the level of service provided meets the goals of the project team. For the purposes of this proposal, the following project phases have been identified with the associated items of work that our project team anticipates performing.

Pre-Construction Services:

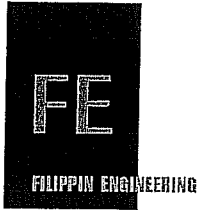
Prior to the start of construction, the FE team will perform the following:

- **Submittal Review** – Receive, review and/or distribute Contractor submittals prior to the project for materials submittals, shop drawings, schedules, environmental permit compliance, and any other required documentation necessary prior to project kick-off.
- **Pre-Construction Conference** – Coordinate and chair the Pre-construction Conference. Schedule meeting and provide notices to project participants prior to the start of any field activities. Prepare and distribute minutes of the conference.
- **Document Control** – Establish document control procedures and Construction Management procedures to ensure organized, complete, and effective construction management and documentation at the onset and throughout the project duration.
- **Contract Document Review** – Our project team will review the project package in detail to give the team a head start on staying ahead of potential issues, also minimizing costly claims during the project.

Construction Phase Services:

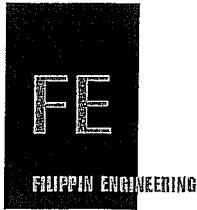
During the construction phase of the project, our team will perform all construction management and observation including the following services, in addition to those requested by Flood Control staff during the course of construction. The list of services below is provided as typical services we provide during construction of similar projects that we expect will be necessary:

- **On-Site Management & Construction Phase Communication** - Establish and implement coordination and communication procedures among Flood Control, City, other permitting agencies, property owners, Filippin Engineering, Design Professional, and Contractors.
- **Construction Administration Procedures** – On all projects administered by Filippin Engineering, we use the Caltrans Local Assistance Procedures Manual as a basis for construction document control, modifying as necessary for any agency or funding-specific requirements. We will utilize the Construction Management procedures for reviewing and processing request for



clarifications and interpretations of the Contract Documents; shop drawings, samples and other submittals; contract schedule adjustments; change order proposals; written proposals for substitutions; payment applications; and the maintenance of logs. As Flood Control's representative at the construction site Filippin Engineering shall be the party to whom all such information shall be submitted.

- **Review of Requests for Information, Shop Drawings, & Other Submittals** - Review the Contractors' requests for information, shop drawings, samples and other submittals to determine the anticipated effect on compliance with the Project requirements, the Project and Construction Budget, and the Baseline Schedule. Forward to the Design Professional as appropriate for review of the request for clarification or interpretation, shop drawing, sample, or other submittals, along with Filippin Engineering's comments. Filippin Engineering comments shall not relate to design considerations, but rather to matters of constructability, cost, sequencing, scheduling and time of construction, and clarity, consistency, and coordination in documentation Filippin Engineering shall receive from the Design Professional, and transmit to the Contractor, all information received from the Design Professional.
- **Change Order Preparation, Negotiation and Processing** - Establish, implement and coordinate systems for processing all contract change orders. Negotiate all contract change orders with the Contractor. Prepare contract change order document for execution by Contractor and Flood Control.
- **Jobsite Progress Meetings** - Conduct weekly progress meetings to review progress and quality, notify the attendees of any contractor deficiencies, determine availability of labor, material, and equipment for upcoming work, coordinate utility outages and site disruptions, and address coordination matters. Additional special meetings may be required to address special issues and conditions and to address special coordination conditions. The RE will chair these meetings, conduct each meeting according to published agenda, and have minutes prepared and promptly distributed. Minutes will detail action items, the discussions that ensued, and announce the time and date of the next meeting.
- **Contractor's Construction Schedule** - Filippin Engineering shall review each Contractor's Construction Schedule and shall verify that the schedule is prepared in accordance with the requirements of the Contract Documents and that it establishes completion dates that comply with the requirements of the approved Baseline Schedule. In addition, we will track conformance with the project schedule, requiring submission of a make-up schedule if necessary to keep the project on track for completion within the time deadlines.
- **Progress Payments** - Filippin Engineering shall review the payment applications submitted by each Contractor and determine whether the amount requested reflects the progress of the Contractor's work. Filippin Engineering shall make appropriate adjustments to each payment application and shall prepare and forward to Flood Control a Progress Payment Report. The Report shall state the total contract price, payments to date, current payment requested, retainage and actual amounts owed for the current period.
- **Photographs** - Provide photographic documentation of project site prior to, during, and after construction.
- **Maintain Construction Record Drawings** - Maintain one set of contract documents with up-to-date information regarding all addendum, substitutions, clarifications and change orders.

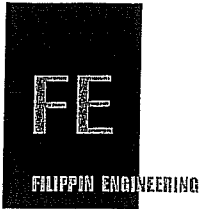


- **Manage Laboratory Testing Services** - Schedule and manage all laboratory testing services with the Flood Control contracted materials testing laboratory (Fugro, Inc.), or if in any instance the specifications require the Contractor be responsible for materials testing, we will maintain oversight of the Contractor's Quality Control (QC) Program.
- **Construction Staking** – Perform coordination with the County surveyor to provide construction staking.
- **Reports** - Prepare weekly statements of working days, daily observation reports, and weekly status reports. Prepare any other reports related to field services requested by County staff.
- **Resident Engineering** - Manage all field operations relating to project inspection, materials testing, measurement and payment, administration and conflict resolution.
- **Field Observation** - Provide full-time detailed field observation services to verify compliance and conformance with the contract documents. Daily construction reports will be completed.
- **Traffic Control and Public Safety** – Coordinate with City Public Works for review of traffic control and public safety plans. Monitor throughout construction for compliance with the approved plans and safety laws and regulations. Review all detour, lane closures, temporary access, signing, delineation and traffic control. Report deficiencies to Contractor.
- **Public Relations** – Perform public relations and outreach as necessary to the community. This project is in a very visible, high profile area within Santa Barbara. We are sensitive to the need to be good neighbors, being proactive, responsive, and informative.
- **Coordination** – Perform coordination between the Design Engineer (Tetrattech & Bengal Engineering), Flood Control, other County departments (including biological monitoring), City of Santa Barbara, permitting agencies, property owners, materials testing laboratory, and other stakeholders or agencies as necessary throughout the project.
- **Temporary Office Facilities** – Currently, FE staff is located in the City-owned 22 W. Mason building. It is assumed that the LMC 1B project will run concurrent with the Mason Street Bridge Project, and that the City will allow this office location for the duration of the project in which to house our Construction Management team. We will be providing the necessary utilities to service the office through the Mason Street Bridge project, so for purposes of this proposal, it is assumed that there will not be any additional utilities or cost to the 1B project.
- **Labor Compliance Checks** – The Office Engineer will perform labor compliance checks as recommended by the Caltrans Construction Manual and the Caltrans Local Assistance Procedures Manual, including labor compliance interviews for the prime contractor and subcontractors, review of certified payrolls, checking contractor postings for all specified posters, notices and wage determinations at the project site (Equal Employment Opportunity posters), and notifications of any observed labor non-compliances so that sanctions can be imposed per Caltrans policy (Construction Manual Chapter 8 “Labor Compliance”).

Close-out Services:

We anticipate the need for the following services during the construction close-out phase:

- **Meetings** – Conduct and coordinate meetings with Flood Control, Contractor, and other agencies related to project completion. Prepare meeting notices and prepare and distribute meeting minutes.



- **Reports** - Prepare reports that may be required during the final acceptance and project closeout.
- **Final Inspection and Punch list** - Provide final inspection and prepare list of project construction deficiencies for resolution by Contractor.
- **Construction Approval/Acceptance** - Make recommendations to Flood Control regarding final project approval and acceptance.
- **Final Payment** - Make recommendations regarding Contractor's final progress payment request. Prepare final progress payment report for submission to the Flood Control.
- **Project Closeout** - Prepare documentation needed for project closeout. Deliver all project documentation to Flood Control.
- **Final Report** - Provide the County with a project final report that summarizes key information on the project.

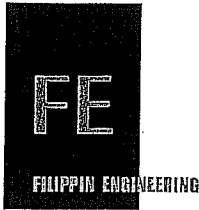
PROPOSED FEE AND METHOD OF PAYMENT

The construction contract period for this project is 135 working days. If actual construction time is less, our costs will also be less. We have not budgeted additional fees for working extended hours. Should extended hours be required, overtime rates (1.3 times the normal billing rate) will apply. There may also be periods of time during construction when the need for our services will not be as great as projected. We will make every effort to minimize the time we spend on this project, without sacrificing the quality of our work.

Our proposed services will be performed on a time and materials basis and shall be billed monthly at the rates then in effect. Charges for "time" include professional, technical and clerical support services provided by FE. "Materials" include all reimbursable expenses, such as photocopies, FAX transmissions, postage, shipping/delivery, mileage, plots, prints, maps/documents and outside consultant fees. A rates sheet is provided as an attachment to this proposal.

Based on our understanding of your requirements, and the assumptions for staffing outlined in the proposal above, we estimate that the fee required for our services will be approximately **\$271,500**. A breakdown of our services is provided in the following table.

Task	Kelly Wheeler (\$175/hr)	Raul Estrada (\$125/hr)	John Perrizo (\$125/hr)	Total Hours	Labor Cost
Pre-Construction Services	20	20	20	60	\$8,500
Construction Phase Services	270	540	1080	1890	\$249,750
Close-out Services	40	40	10	90	\$13,250
Totals	330	600	1110	2040	\$271,500



We have estimated the cost of our services based on our understanding at this time of the scope and complexity of the work. However, because our services will be performed on a time and materials basis, and it is possible that our actual charges could exceed the amount we have estimated. During the performance of our services, the need for additional or expanded services will be monitored and communicated by the Project Manager. At the start of the job, we will also prepare a cost projection worksheet that will be used to track costs throughout the project to ensure we keep control of our budget.

We look forward to working with you on this project. If you have any questions or would like to discuss our qualifications further, please don't hesitate to call me at (805) 448-5619. If this proposal is acceptable, please send the County's agreement to 354-D S. Fairview Ave., Goleta, CA 93117.

Thank you,

FILIPPIN ENGINEERING

A handwritten signature in black ink, appearing to read 'Kelly R. Wheeler'.

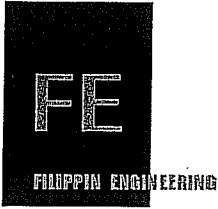
Kelly R. Wheeler, P.E.
Principal Engineer
R.C.E. 64522
Enclosures

EXHIBIT B

PAYMENT ARRANGEMENTS

Periodic Compensation (with attached Schedule of Fees)

- A. For CONTRACTOR services to be rendered under this Agreement, CONTRACTOR shall be paid a total contract amount, including cost reimbursements, not to exceed \$ 271,500.
- B. Extra Work required to complete the project may be authorized only if CONTRACTOR receives written approval by the COUNTY's designated representative as identified in Paragraph 1 of the Agreement at the same rate per unit as defined in Attachment B1. The total amount of this contingency fund is 10% of the agreement amount or \$27,150.
- C. Payment for services and /or reimbursement of costs shall be made upon CONTRACTOR's satisfactory performance, based upon the scope and methodology contained in EXHIBIT A as determined by COUNTY. Payment for services and/or reimbursement of costs shall be based upon the costs, expenses, overhead charges and hourly rates for personnel, as defined in Attachment B1 (Schedule of Fees). Invoices submitted for payment that are based upon Attachment B1 must contain sufficient detail to enable an audit of the charges and provide supporting documentation if so specified in EXHIBIT A.
- D. Monthly, CONTRACTOR shall submit to the COUNTY DESIGNATED REPRESENTATIVE an invoice or certified claim on the County Treasury for the service performed over the period specified. These invoices or certified claims must cite the assigned Board Contract Number. COUNTY DESIGNATED REPRESENTATIVE shall evaluate the quality of the service performed and if found to be satisfactory and within the cost basis of Attachment B1 shall initiate payment processing. COUNTY shall pay invoices or claims for satisfactory work within 30 days of receipt of correct and complete invoices or claims from CONTRACTOR.
- E. COUNTY's failure to discover or object to any unsatisfactory work or billings prior to payment will not constitute a waiver of COUNTY's right to require CONTRACTOR to correct such work or billings or seek any other legal remedy.
- F. CONTRACTOR shall comply with the California Labor Code, including but not limited to the payment of prevailing wage when required. The general prevailing wage rates determined by the Director of Industrial Relations, for the county or counties in which the work is to be done, are on file at the office of the Santa Barbara County Flood Control & Water Conservation District, 130 E. Victoria Street, Suite 200, Santa Barbara, CA 93101. Copies of these general prevailing wage rates shall be made available to any interested party on request. Changes, if any to the general prevailing wage rates will be available at the same location. The prevailing wage rates are also available from the California Department of Industrial Relations' Internet web site at <http://www.dir.ca.gov/dlsr/pwd>.



ATTACHMENT B1

**FILIPPIN ENGINEERING, INC.
BILLING RATES EFFECTIVE JANUARY 1, 2014**

Engineering		Construction Management	
Engineering Technician	\$ 85.00	Assistant Construction Manager	\$ 125.00
Senior Engineering Technician	\$ 95.00	Associate Construction Manager	\$ 135.00
		Senior Construction Manager	\$ 155.00
Junior Engineer	\$ 115.00	Principal Construction Manager	\$ 175.00
Assistant Engineer	\$ 125.00	Construction Inspector (PW)	\$ 115.00
Associate Engineer	\$ 135.00	Senior Construction Inspector (PW)	\$ 125.00
Senior Engineer	\$ 155.00	Chief Inspector/Owner's Rep (PW)	\$ 135.00
Principal Engineer	\$ 175.00	(PW) Prevailing Wage	
General			
Technical/Clerical Support	\$ 60.00	Sub-Consultant	Cost + 5%
Senior Program Manager	\$ 160.00	Reimbursable Expenses	Cost + 5%
		Outside Consultant	Cost + 10%

Note 1: Reimbursable expenses include postage, shipping, outside plot and copy reproduction costs.

Note 2: Overtime rates for construction inspection = 1.3 X regular rate. Overtime will not be performed unless authorized in writing by the client. Overtime work is not included in the cost of this proposal.

EXHIBIT C

Indemnification and Insurance Requirements (For Professional Contracts)

INDEMNIFICATION

CONTRACTOR agrees to indemnify, defend (with counsel reasonably approved by COUNTY) and hold harmless COUNTY and its officers, officials, employees, agents and volunteers from and against any and all claims, actions, losses, damages, judgments and/or liabilities arising out of this Agreement from any cause whatsoever, including the acts, errors or omissions of any person or entity and for any costs or expenses (including but not limited to reasonable attorneys' fees) incurred by COUNTY on account of any claim except where such indemnification is prohibited by law. CONTRACTOR's indemnification obligation applies to COUNTY's active as well as passive negligence but does not apply to COUNTY's sole negligence or willful misconduct.

NOTIFICATION OF ACCIDENTS AND SURVIVAL OF INDEMNIFICATION PROVISIONS

CONTRACTOR shall notify COUNTY immediately in the event of any accident or injury arising out of or in connection with this Agreement. The indemnification provisions in this Agreement shall survive any expiration or termination of this Agreement.

INSURANCE

CONTRACTOR shall procure and maintain for the duration of this Agreement 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 and the results of that work by the CONTRACTOR, his agents, representatives, employees or subcontractors.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. **Commercial General Liability (CGL):** Insurance Services Office (ISO) Form CG 00 01 covering CGL on an "occurrence" basis, including products-completed operations, personal & advertising injury, with limits no less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate.
2. **Automobile Liability:** ISO Form Number CA 00 01 covering any auto (Code 1), or if CONTRACTOR has no owned autos, hired, (Code 8) and non-owned autos (Code 9), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
3. **Workers' Compensation:** 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.
4. **Professional Liability (Errors and Omissions)** Insurance appropriate to the CONTRACTOR'S profession, with limit of no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the CONTRACTOR maintains higher limits than the minimums shown above, the COUNTY requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the COUNTY.

B. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions:

1. **Additional Insured** – COUNTY, its officers, officials, employees, agents 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 CONTRACTOR 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 CONTRACTOR's insurance at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10 and CG 20 37 if a later edition is used).
2. **Primary Coverage** – For any claims related to this Agreement, the CONTRACTOR's insurance coverage except Professional Liability and Workers' Compensation Insurance shall be primary insurance as respects the COUNTY, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by the COUNTY, its officers, officials, employees, agents or volunteers shall be excess of the CONTRACTOR's insurance and shall not contribute with it.
3. **Notice of Cancellation** – Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the COUNTY.
4. **Waiver of Subrogation Rights** – CONTRACTOR hereby grants to COUNTY a waiver of any right to subrogation which any insurer of said CONTRACTOR may acquire against the COUNTY by virtue of the payment of any loss under such insurance. CONTRACTOR agrees to obtain any endorsement that may be necessary to effect 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.
5. **Deductibles and Self-Insured Retention** – Any deductibles or self-insured retentions must be declared to and approved by the COUNTY. The COUNTY may require the CONTRACTOR to purchase coverage with a lower deductible or retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.
6. **Acceptability of Insurers** – Unless otherwise approved by Risk Management, insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best's Insurance Guide rating of "A- VII".
7. **Verification of Coverage** – CONTRACTOR shall furnish the COUNTY with proof of insurance, original certificates and amendatory endorsements as required by this Agreement. The proof of insurance, certificates and endorsements are to be received and approved by the COUNTY before work commences. However, failure to obtain the required documents prior to the work beginning shall not waive the CONTRACTOR's obligation to provide them. The CONTRACTOR shall furnish evidence of renewal of coverage throughout the term of the Agreement. The COUNTY reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
8. **Failure to Procure Coverage** – In the event that any policy of insurance required under this Agreement does not comply with the requirements, is not procured, or is canceled and not replaced, COUNTY has the right but not the obligation or duty to terminate the Agreement. Maintenance of required insurance coverage is a material element of the Agreement and failure to maintain or renew such coverage or to provide evidence of renewal may be treated by COUNTY as a material breach of contract.
9. **Subcontractors** – CONTRACTOR shall require and verify that all subcontractors maintain insurance meeting all the requirements stated herein, and CONTRACTOR shall ensure that COUNTY is an additional insured on insurance required from subcontractors.

10. Claims Made Policies – If any of the required policies provide coverage on a claims-made basis:

- i. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.
- ii. Insurance must be maintained and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.
- iii. 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 CONTRACTOR must purchase “extended reporting” coverage for a minimum of five (5) years after completion of contract work.

11. 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.

Any change requiring additional types of insurance coverage or higher coverage limits must be made by amendment to this Agreement. CONTRACTOR agrees to execute any such amendment within thirty (30) days of receipt.

Any failure, actual or alleged, on the part of COUNTY to monitor or enforce compliance with any of the insurance and indemnification requirements will not be deemed as a waiver of any rights on the part of COUNTY.

