



**PURCHASING ITEM
FOR
COUNCIL AGENDA**

1. Agenda Item Number:

23

2. Council Meeting Date:
January 26, 2012

TO: MAYOR & COUNCIL

3. Date Prepared: January 12, 2012

THROUGH: CITY MANAGER

4. Requesting Department: City Manager

5. SUBJECT: Approve agreement for Human Resources to engage Buck Consultants to provide consulting services as part of the Request for Proposal (RFP) for the City's 457 Deferred Compensation Plan and Retirement Health Savings Plan. In addition, Buck Consultants would provide assistance to the City regarding contract negotiations with the finalist to ensure expectations of the RFP Committee are incorporated and addressed in the final contract with the selected vendor, in an amount not to exceed \$55,000.

6. RECOMMENDATION: Approve agreement for Human Resources to Buck Consultants in an amount not to exceed \$55,000 for consulting services involving assisting Human Resources and Procurement for the RFP and negotiation processes.

7. HISTORICAL BACKGROUND/DISCUSSION: Buck Consultants has established an ongoing professional relationship with the City due to their role of providing Employee Benefit Consulting Services. In addition to assisting the City with the administrative management of all group and voluntary insurance plans, Buck Consultants assisted Human Resources and Procurement with the development of the City's RFP to award a Medical Health Plan Provider. They assisted with the facilitation and evaluation process with members of the City's Healthcare Task Force as well as technical advisors from Risk Management, Procurement and Accounting.

It is our intent to have Buck Consultants use a similar model for the RFP to award a 457 Deferred Compensation Plan and Retirement Health Savings Plan. They will work extensively with Human Resources, Procurement and the RFP committee (representing each of the employee groups).

The City has not engaged in a review of its Deferred Compensation Plan in 25 plus years. In addition, there has been increasing interests expressed by various employees groups to engage in a RFP process.

8. EVALUATION PROCESS:

Buck Consultants has extensive public sector benefits experience and has successfully assisted larger and similar sized government entities with the review of deferred compensation plans. For example they are currently working with the State of Arizona and previously assisted the City of San Jose, California with a similar review.

They will assist the RFP committee, Human Resources, and Procurement in the assessment of vendor qualifications, vendor education and support services, vendor administration and custody services, and most notably vendor investments and fees. A more extensive scope of work has been provided in attachment – Exhibit B, Scope of Work.

Buck Consultant's strong reputation and solid relationship with members of the various employee groups will serve the City well as we navigate through the RFP process.

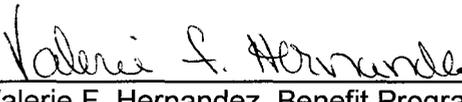
The implementation timeline is restrictive due in part to the extensiveness of the scope of work, the negotiation process and the City's open enrollment process for 2013; therefore, it's imperative that the consultant have a strong foundation and experience with deferred compensation plans as they relate to government entities.

9. FINANCIAL IMPLICATIONS: Funding would come from unanticipated revenues of \$82,876.82 received in the General Fund (101.0000.4650) in FY 11-12 from Retirement Health Savings Plan Forfeitures. In order to provide necessary appropriation for this agreement of \$55,000, a General Fund Contingency appropriation transfer from 101.1290.5911 to Human Resources cost center and consulting account (101.1250.5219) is needed.

10. PROPOSED MOTION: Move to approve agreement for Human Resources and Buck Consultants in an amount not to exceed \$55,000 for assisting Human Resources and Procurement with the RFP and negotiation processes and approve the General Fund Contingency appropriation transfer for this purpose.

APPROVALS

11. Requesting Department


Valerie F. Hernandez, Benefit Programs Supervisor

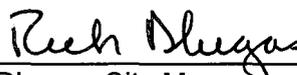
12. Department Head


Debra Stapleton, Human Resources Director

13. Procurement Officer


Kristy Garcia, CPPB

14. City Manager


Rich Dlugas, City Manager

**CITY OF CHANDLER
PROFESSIONAL SERVICES AGREEMENT**

Project Name: Deferred Comp 457 Plan and Retirement Health Savings Request for Proposal

THIS AGREEMENT is made and entered into this ____ day of _____, 2012, by and between the City of Chandler, a Municipal Corporation of the State of Arizona, hereinafter referred to as "CITY", and Buck Consultants, hereinafter referred to as "CONSULTANT".

WHEREAS, the Mayor and City Council of the City of Chandler is authorized and empowered by provisions of the City Charter to execute contracts for professional services; and

WHEREAS, CONSULTANT represents that CONSULTANT has the expertise and is qualified to perform the services described in the Agreement.

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

1. CONTRACT ADMINISTRATOR:

1.1. To provide the professional services required by this Agreement CONSULTANT shall act under the authority and approval of Kristy Garcia of the City of Chandler Procurement Division, (the Contract Administrator), who shall oversee the execution of this Agreement, assist the CONSULTANT with any necessary information, audit billings, and approve payments. The CONSULTANT shall channel reports and special requests through the Contract Administrator.

1.2. CITY reserves the right to review and approve any/all changes to CONSULTANT'S key staff assigned to the CITY project by the firm during the term of this Agreement.

2. SCOPE OF WORK: CONSULTANT shall provide those services in the procurement of a Deferred Compensation Provider described in Exhibit B attached hereto and made a part hereof by reference. Timeline (Exhibit C) is attached hereto and incorporated herein by reference.

3. ACCEPTANCE AND DOCUMENTATION: Each task shall be reviewed and approved by CITY to determine acceptable completion. All documents, including but not limited to, data compilations, studies, and reports which are prepared in the performance of this Agreement, shall be and remain the property of CITY and shall be delivered to CITY before final payment is made to CONSULTANT.

4. FEE SCHEDULE: CITY shall pay CONSULTANT a fee not to exceed the sum of Fifty Five Thousand dollars (\$55,000) upon completion of the services described in Exhibit B and Exhibit C of this Agreement.

5. TERM: Following execution of this Agreement by CITY, CONSULTANT shall immediately commence work and shall complete all services described herein by October 31, 2012.

6. TERMINATION:

6.1. Termination for Convenience: CITY reserves the right to terminate this Contract or any part thereof for its sole convenience with thirty (30) days written notice. In the event

of such termination, CONSULTANT shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and subcontractors to cease such work. As compensation in full for services performed to the date of such termination, the CONSULTANT shall receive a fee for the percentage of services actually performed. This fee shall be in the amount to be mutually agreed upon by the CONSULTANT and CITY, based on the agreed Scope of Work. If there is no mutual agreement, the Management Services Director shall determine the percentage of work performed for each task detailed in the Scope of Work and the CONSULTANT's compensation shall be based upon such determination and CONSULTANT's fee scheduled included herein.

6.2 Termination for Cause: City may terminate this Contract for Cause upon the occurrence of any one or more of the following events:

- 1) If CONSULTANT fails to perform pursuant to the terms of this Agreement
- 2) If CONSULTANT is adjudged a bankrupt or insolvent;
- 3) If CONSULTANT makes a general assignment for the benefit of creditors;
- 4) If a trustee or receiver is appointed for CONSULTANT or for any of CONSULTANT'S property;
- 5) If CONSULTANT files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws;
- 6) If CONSULTANT disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction;
- 7) Where Agreement has been so terminated by CITY, the termination shall not affect any rights of CITY against CONSULTANT then existing or which may thereafter accrue.

6.3. Availability of Funds for the next Fiscal Year. Funds may not presently be available under this agreement beyond the current fiscal year. No legal liability on the part of the CITY for services may arise under this agreement beyond the current fiscal year until funds are made available for performance of this agreement. The CITY may reduce services or terminate this agreement without further recourse, obligation, or penalty in the event that insufficient funds are appropriated. The City Manager shall have the sole and unfettered discretion in determining the availability of funds.

7. INDEMNIFICATION: The Consultant agrees to indemnify, defend, and save harmless the City of Chandler, its Mayor and Council, appointed boards and commissions, officials, officers, employees, individually and collectively; from all losses, claims, suits, actions, payments and judgments, demands, expenses, attorney's fees, defense costs, or actions of any kind and nature resulting from personal injury to any person, including employees of the Consultant or of any Sub Consultant employed by the Consultant (including bodily injury and death) or damages to any property, arising or alleged to have arisen out of the negligent performance of the Consultant for the work to be performed hereunder, except any such injury or damages arising out of the sole negligence of the City, its officers, agents or employees. IT IS THE INTENTION OF THE PARTIES to this contract that the City of Chandler, its Mayor and Council, appointed boards and commissions, officials, officers, employees, individually and collectively, are to be indemnified against their own negligence unless and except their negligence is found to be the sole cause of the injury to persons or damages to property.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

8. **INSURANCE REQUIREMENTS:** CONSULTANT shall provide and maintain the insurance as listed in Exhibit D attached hereto and made a part hereof by reference.
9. **ENTIRE AGREEMENT:** This Agreement constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified herein. This Agreement may not be modified or amended except by a written document, signed by authorized representatives or each party.
10. **ARIZONA LAW:** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.
 - 10.1 Pursuant to the provisions of A.R.S. § 41-4401, the Contractor hereby warrants to the City that the Contractor and each of its subcontractors ("Subcontractors") will comply with all Federal Immigration laws and regulations that relate to the immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").
 - 10.2 A breach of the Contractor Immigration Warranty (Exhibit A) shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.
 - 10.3 The City retains the legal right to inspect the papers of any Contractor or Subcontractor employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. The Contractor agrees to assist the City in the conduct of any such inspections.
 - 10.4 The City may, at its sole discretion, conduct random verifications of the employment records of the Contractor and any Subcontractors to ensure compliance with Contractors Immigration Warranty. The Contractor agrees to assist the City in performing any such random verification.
 - 10.5 The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.
 - 10.6 In accordance with A.R.S. §35-393.06, the Contractor hereby certifies that the offeror does not have scrutinized business operations in Iran.
 - 10.7 In accordance with A.R.S. §35-391.06 the Contractor hereby certifies that the offeror does not have scrutinized business operations in Sudan.
11. **CONFLICT OF INTEREST:**
 - 11.1 **No Kickback.** CONSULTANT warrants that no person has been employed or retained to solicit or secure the Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no member of the City Council or any employee of the CITY has any interest, financially or otherwise, in the firm unless this interest has been declared pursuant to the provisions of A.R.S. section 38-501. Any such interests were disclosed in CONSULTANT'S proposal to the CITY.

11.2 Kickback Termination. CITY may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the CITY is, at any time while the Agreement or any extension of the Agreement is in effect, an employee of any other party to the Agreement in any capacity or a CONSULTANT to any other party to the Agreement with respect to the subject matter of the Agreement. The cancellation shall be effective when written notice for CITY is received by all other parties, unless the notice specifies a later time (A.R.S. 38-511).

11.3 No Conflict. CONSULTANT stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this project.

12. DISPUTE RESOLUTION:

12.1 Alternative Dispute Resolution. The parties hereby agree that there shall be a sixty (60) day moratorium on litigation commencing on the day that a claim is filed by CONSULTANT pursuant to A.R.S. § 12-821.01 during which time the parties will negotiate in good faith to resolve the dispute and evaluate the viability of pursuing alternative dispute resolution procedures such as mediation and arbitration.

12.2 Arizona Law. This Agreement shall be governed and interpreted according to the laws of the State of Arizona.

12.3 Jurisdiction and Venue. The parties agree that this Agreement is made in and shall be performed in Maricopa County. Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Maricopa County in the State of Arizona, which shall have exclusive jurisdiction over such lawsuits.

12.4 Fees and Costs. Except as otherwise agreed by the parties, the prevailing party in any adjudicated dispute relating to this Agreement is entitled to an award of reasonable attorney's fees, expert witness fees and costs including, as applicable, arbitrator fees; provided, however, that no award of attorney's fees shall exceed ten percent (10%) of the damages awarded the prevailing party unless the non-prevailing party has been determined to have acted in bad faith or in a frivolous manner during the adjudication.

13. NOTICES: All notices or demands required to be given pursuant to the terms of this Agreement shall be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

In the case of City:
City of Chandler
Purchasing Division
P.O. Box 4008, Mail Stop 901
Chandler, AZ 85244-4008
480.782. 2400

In the case of CONSULTANT:
Buck Consultants
3200 N. Central Ave.
Suite 2200
Phoenix, AZ 85012-2425
602.864.3500

Notices shall be deemed received on date delivered, if delivered by hand, and on the delivery date indicated on receipt if delivered by certified or registered mail.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names to this ____ day of _____ 2012.

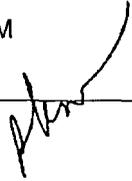
CITY OF CHANDLER

Mayor Date

CONSULTANT -

By: 
Title: Principal

APPROVE AS TO FORM

City Attorney 

ATTEST: If Corporation

Secretary

ATTEST:

City Clerk

SEAL

EXHIBIT A

Contractor Immigration Warranty
To Be Completed by Contractor Prior to Execution of Contract

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

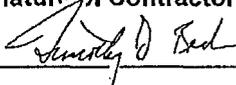
By completing and signing this form the contractor shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

Contract Number: N/A		
Name (as listed in the contract): Buck Consultants		
Street Name and Number: 3200 N. Central Ave., Suite 2200		
City: Phoenix	State: AZ	Zip Code: 85012-2425

I hereby attest that:

1. The contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;
2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees.

Signature of Contractor (Employer) or Authorized Designee:



Printed Name: Timothy D. Beck

Title: Principal

Date (month/day/year): January 16, 2012

EXHIBIT B SCOPE OF WORK

CONSULTANT shall assist in providing the following services as part of the Request for Proposal (RFP) process to be conducted by the Chandler Procurement Division to select a provider for the City's Deferred Compensation Plan. In addition, CONSULTANT will be involved in the contract negotiations with the finalist to ensure that all expectations of the Review Committee are incorporated and addressed in the final contract with the selected provider.

Scope of Work:

- **Assessment of Vendor Qualifications**
 - *Review Organizational History*
 - *References*
- **Assessment of Vendor Education and Support Services**
 - *Enrollment Services*
 - *Investment Guidance*
- **Assessment of Vendor's Administration and Custody Services**
 - *Participant Website*
 - *Daily valuation*
 - *Payroll Interface*
 - *Loan Administration*
- **Assessment of Vendor Investments**
 - *Suitability as a retirement vehicle*
 - *Stable Value or other Fixed Income*
 - *Lifestyle or Target-Date Funds*
 - *Brokerage Accounts*
- **Fees**
 - *Direct Participant Fees*
 - *Investment Management Fees*
 - *Revenue Sharing Offsets*

The Process

CONSULTANT will assist the City's Procurement Division and work with the City's Human Resources (HR) Division and management team to define expectations and set goals. Consultant will assist the City's Procurement Division in preparing a Request for Proposal. The RFP will be distributed to the major 457 plan providers, and CONSULTANT will attend a pre-proposal conference will be scheduled to answer any questions related to the RFP. The review process will consist of CONSULTANT assisting the City's Procurement Division in reviewing, and analyzing proposals and presenting information to committee for final determination of finalists to be selected. Finalist interviews will be conducted prior to making a final selection. Finally, the contract will be negotiated and executed with the recommended awarded provider.

**EXHIBIT C
TIMELINE**

PROJECT DESCRIPTION

The following table presents a detailed Request for Proposal (RFP) project description and timeline (with an assumed start date of 2/1/2012).

Task	Projected Due Date
Gather information regarding the City's Deferred Compensation Program – including plan document, trust document (if applicable), 12/31/11 administrative report including total balances by fund and contribution type, current vendor contract, communications materials, administrative forms, investment policy, QDRO administration procedures, and written procedures for approval of hardship withdrawals. <i>Responsible party: The City</i>	February 1, 2012
Meet with the City to discuss format and content of RFP (including required legal content and sample contract) and list of possible RFP recipients. <i>Responsible party: Representative from City of Chandler Procurement, John Mayer & Louis Montoya of Buck Consultants, Valerie Hernandez & Legal Representative of City of Chandler</i>	February 21, 2012
Finalize RFP and list of RFP recipients based on discussions with and input from City. <i>Responsible party: Representative from City of Chandler Procurement, John Mayer & Louis Montoya of Buck Consultants, Valerie Hernandez & Legal Representative of City of Chandler</i>	March 15, 2012
Distribute RFPs to approved recipients and all registered recipients through City's Online Vendor Registration System. <i>Responsible party: City of Chandler Procurement</i>	March 22, 2012
Deadline for RFP recipients to submit questions regarding specific RFP items or overall process. <i>Responsible party: City of Chandler Procurement, John Mayer & Louis Montoya of Buck Consultants</i>	April 6, 2012
Teleconference with City to discuss RFP questions, review recommended responses, and develop responses to any unanswered questions. <i>Responsible party: City of Chandler Procurement, John Mayer & Louis Montoya of Buck Consultants, Valerie Hernandez of City of Chandler</i>	April 13, 2012
Distribute responses to Offeror's questions via email. <i>Responsible party: City of Chandler Procurement, John Mayer of Buck Consultants</i>	April 20, 2012
Proposals due from Offeror's. <i>Responsible party: Prospective providers</i>	May 11, 2012

Task	Projected Due Date
<p>Complete review of proposals.</p> <p><i>Responsible party: City of Chandler Procurement with assistance of John Mayer of Buck Consultants</i> <i>Investment review – Jon Slinger of Buck Consultants</i></p>	May 31, 2012
<p>Preliminary analysis of proposals (including possible suggested list of first cuts) to the City.</p> <p><i>Responsible party: City of Chandler Procurement with assistance of John Mayer & Louis Montoya of Buck Consultants</i></p>	June 5, 2012
<p>Request any necessary additional information from offerors based on input from the City.</p> <p>Responsible party: City of Chandler Procurement and John Mayer & Louis Montoya of Buck Consultants</p>	June 8, 2012
<p>Final analysis of proposals (including suggested list of finalists) Meet with the City to assist City of Chandler Procurement in selecting finalists and discuss format of finalist presentations.</p> <p>Responsible party: John Mayer & Louis Montoya of Buck Consultants</p>	June 19, 2012
<p>Notify finalists and schedule finalist presentations.</p> <p>Responsible party: City of Chandler Procurement, John Mayer, Mellon Human Resources & Investor Solutions</p>	June 22, 2012
<p>Finalist presentations.</p> <p>Responsible party: the City, Buck, Finalists</p>	Week of July 9, 2012
<p>Meet with the City to make final provider selection. Notify winning offeror.</p> <p>Responsible party: John Mayer & Louis Montoya of Buck Consultants</p>	July 19, 2012
<p>Assist in contract negotiations.</p> <p>Responsible party: City of Chandler Procurement, John Mayer & Louis Montoya of Buck Consultants, Valerie Hernandez & Legal Representative of City of Chandler</p>	August 1, 2012

**EXHIBIT D
INSURANCE REQUIREMENTS**

1. CONSULTANT, at its own expense, shall purchase and maintain insurance of the types and amounts required in this section, with companies possessing a current A.M. Best, Inc. rating of A-6, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to CITY.
2. Policies written on a "Claims made" basis are not acceptable without written permission from the City's Risk Manager.
3. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of CITY, constitute a material breach of this Agreement and may result in termination of this contract.
4. If any of the insurance policies are not renewed prior to expiration, payments to the CONSULTANT may be withheld until these requirements have been met, or at the option of the City, the City may pay the Renewal Premium and withhold such payments from any monies due the CONSULTANT.
5. All insurance policies, except Workers' Compensation and Professional Liability required by this Agreement, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this contract, the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insureds.
6. CONSULTANT's insurance shall be primary insurance over any insurance available to the CITY and as to any claims resulting from this contract, it being the intention of the parties that the insurance policies so effected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.
7. The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against CITY, its agents, representatives, officers, directors, officials and employees for any claims arising out of CONSULTANT's acts, errors, mistakes, omissions, work or service.
8. The insurance policies may provide coverage, which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall be assumed by and be for the account of, and at the sole risk of CONSULTANT. CONSULTANT shall be solely responsible for the deductible and/or self-insured retention. The amounts of any self-insured retentions shall be noted on the Certificate of Insurance. CITY, at its option, may require CONSULTANT to secure payment of such deductibles or self-insured retentions by a Surety Bond or an irrevocable and unconditional letter of credit. Self-insured retentions (SIR) in excess of \$25,000 will only be accepted with the permission of the Management Services Director/designee.
9. All policies and certificates shall contain an endorsement providing that the coverage afforded under such policies shall not be reduced, canceled or allowed to expire until at least thirty (30) days prior written notice has been given to CITY.
10. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the CONSULTANT with reasonable promptness in accordance with the CONSULTANT's information and belief.

11. In the event that claims in excess of the insured amounts provided herein, are filed by reason of any operations under this contract, the amount of excess of such claims, or any portion thereof, may be withheld from payment due or to become due the CONSULTANT until such time as the CONSULTANT shall furnish such additional security covering such claims as may be determined by the CITY.

C.1 PROOF OF INSURANCE - CERTIFICATES OF INSURANCE

1. Prior to commencing work or services under this Agreement, CONSULTANT shall furnish to CITY Certificates of Insurance, issued by CONSULTANT's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect and obtain from the City's Risk Management Division approval of such Certificates.
2. If a policy does expire during the life of this Agreement, a renewal certificate must be sent to the City of Chandler five (5) days prior to the expiration date.
3. All Certificates of Insurance shall identify the policies in effect on behalf of CONSULTANT, their policy period(s), and limits of liability. Each Certificate shall include the job site and project number and title. Coverage shown on the Certificate of Insurance must coincide with the requirements in the text of the contract documents. Information required to be on the certificate of Insurance may be typed on the reverse of the Certificate and countersigned by an authorized representative of the insurance company.
4. CITY reserves the right to request and to receive, within 10 working days, certified copies of any or all of the herein required insurance policies and/or endorsements. CITY shall not be obligated, however, to review same or to advise CONSULTANT of any deficiencies in such policies and endorsements, and such receipt shall not relieve CONSULTANT from, or be deemed a waiver of CITY's right to insist on, strict fulfillment of CONSULTANT's obligations under this Agreement.

C.2 REQUIRED COVERAGE

1. Such insurance shall protect CONSULTANT from claims set forth below which may arise out of or result from the operations of CONSULTANT under this Contract and for which CONSULTANT may be legally liable, whether such operations be by the CONSULTANT or by a Sub-consultant or subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Coverage under the policy will be at least as broad as Insurance Services Office, Inc., policy form CG00011093 or equivalent thereof, including but not limited to severability of interest and waiver of subrogation clauses.
2. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;
3. Claims for damages because of bodily injury, occupational sickness or disease, or death of the Consultant's employees;
4. Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Consultant's employees;
5. Claims for damages insured by usual personal injury liability coverage;

6. Claims for damages, other than to Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
7. Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; Coverage will be at least as broad as Insurance Service Office, Inc., coverage Code "1" "any auto" policy form CA00011293 or equivalent thereof.
8. Claims for bodily injury or property damage arising out of completed operations;
9. Claims involving contractual liability insurance applicable to the Consultant's obligations under the Indemnification Agreement;
10. Claims for injury or damages in connection with one's professional services;
11. Claims involving construction projects while they are in progress. Such insurance shall include coverage for loading and off loading hazards. If any hazardous material, as defined by any local, state or federal authorities are to be transported, MCS 90 endorsement shall be included.

C.2.1 Commercial General Liability - Minimum Coverage Limits

The Commercial General Liability insurance required herein shall be written for not less than \$1,000,000 limits of liability or ten percent (10%) of the Contract Price, whichever coverage is greater. Any combination between general liability and excess general liability alone amounting to a minimum of \$1,000,000 per occurrence (or 10% per occurrence) and an aggregate of \$2,000,000 (or 20% whichever is greater) in coverage will be acceptable. The Commercial General Liability additional insured endorsement shall be as broad as the Insurance Services, Inc's (ISO) Additional Insured, Form B, CG 20101001, and shall include coverage for CONSULTANT's operations and products, and completed operations.

C.2.2 General Liability - Minimum Coverage Limits

The General Liability insurance required herein, including, Comprehensive Form, Premises-Operations, Explosion and Collapse, Underground Hazard, Products/Completed Operations, Contractual Insurance, Broad Form Property Damage, Independent Contractors, and Personal Injury shall be written for Bodily Injury and Property Damage Combined shall be written for not less than \$1,000,000 or 10% of the contract cost and with a \$2,000,000 aggregate.

C.2.3 Automobile Liability

CONSULTANT shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any owned, hired, and non-owned vehicles assigned to or used in performance of the CONSULTANT's work. Coverage shall be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof). Such insurance shall include coverage for loading and off loading hazards if hazardous substances, materials or wastes are to be transported and a MCS 90 endorsement shall be included with coverage limits of \$5,000,000 per accident for bodily injury and property damage.

C.2.4 Worker's Compensation and Employer's Liability

CONSULTANT shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over CONSULTANT'S employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease coverage for each employee, and \$1,000,000 disease policy limit.

If CONSULTANT is a sole proprietor and has no employees, CITY will accept a Sole Proprietor's waiver of Workers' Compensation benefits in lieu of Workers' Compensation insurance

In case any work is subcontracted, CONSULTANT will require the SUBCONTRACTOR to provide Workers' Compensation and Employer's Liability to at least the same extent as required of CONSULTANT.

C.2.5 Professional Liability

CONSULTANT shall maintain Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the work or services performed by CONSULTANT, or any person employed by CONSULTANT, with a claims made policy limit of not less than \$1,000,000.