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NOV 20 2014

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MEMORANDUM **Fire, Health & Medical Department**

DATE: NOVEMBER 20, 2014

TO: MAYOR AND COUNCIL

THRU: RICH DLUGAS, CITY MANAGER RD

FROM: JEFF CLARK, FIRE CHIEF JC

SUBJECT: STATE OF ARIZONA MUTUAL AID COMPACT AGREEMENT

RECOMMENDATION: Staff recommends Council adopt Resolution No. 4812, authorizing the Arizona Mutual Aid Compact Agreement between the State of Arizona, various counties, tribes and local municipalities for dispatching mutual aid assistance during an emergency or disaster. The Arizona Mutual Aid Compact defines the emergency management terms and procedures which will be used among participating political jurisdictions within the State of Arizona for dispatching mutual aid assistance to any affected area in accordance with local ordinances, resolutions, emergency plans or agreements. Contracting authority for political subdivisions of Arizona for this Compact is based upon A.R.S. § 26-308.

BACKGROUND/DISCUSSION: All political jurisdictions within the State of Arizona must prepare for the possibility of an emergency or disaster that would necessitate the utilization of internal resources in response to the emergency and may require the assistance of other jurisdictions. It is during these events that emergency resources of political subdivisions, municipal corporations, tribes and other public agencies should be made mutually available to respond to such emergencies. Each of the jurisdictions should assist one another when such emergencies occur by providing resources that are available and needed including, but not limited to, fire, police, medical and health, environmental, communication, and transportation services to cope with the incident. A compact was executed for the interchange of such mutual aid, and the manner of financing of such cooperative undertakings in advance of an emergency in 2010. The Mutual Aid Compact attached is a revision and enhancement of the current compact which establishes the procedures to notify the parties of the need of emergency assistance, identifies available resources for emergency responses and provides a mechanism for compensation to the providing party.

FINANCIAL IMPLICATIONS: The Arizona Mutual Aid Compact provides a mechanism for reimbursement if reimbursement is requested by the providing jurisdiction and agreed upon by the receiving jurisdiction.

PROPOSED MOTION: Move City Council adopt Resolution No. 4812, authorizing the Arizona Mutual Aid Compact Agreement between the State of Arizona and various counties, tribes and local municipalities for dispatching mutual aid assistance during an emergency or disaster.

Attachments:

1. Resolution No. 4812
2. Arizona Mutual Aid Compact

RESOLUTION NO. 4812

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CHANDLER, ARIZONA, AUTHORIZING THE MAYOR TO EXECUTE AN ARIZONA MUTAL AID COMPACT AGREEMENT BETWEEN THE STATE OF ARIZONA, VARIOUS COUNTIES, TRIBES AND LOCAL MUNICIPALITIES FOR DISPATCHING MUTUAL AID ASSISTANCE DURING AN EMERGENCY OR DISASTER

WHEREAS, the State of Arizona desires to enter into an Arizona Mutual Aid Compact Agreement with the City of Chandler for dispatching mutual aid assistance to any affected area in accordance with local ordinances, resolutions, emergency plans or agreements;

WHEREAS, pursuant to A.R.S. § 26-308(A) each county and incorporated city and town of the state may appropriate and expend funds, make contracts and obtain and distribute equipment, materials and supplies for emergency management purposes;

WHEREAS, this agreement 1) provides the procedures to notify the providing parties of the need for emergency assistance; 2) identifies available resources; and, 3) provides a mechanism for compensation for resources.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Chandler, Arizona, as follows:

Section 1 That City Council hereby approves the Arizona Mutual Aid Compact Agreement with the State of Arizona, attached hereto.

Section 2 That the Mayor is hereby authorized to execute the Arizona Mutual Aid Compact Agreement on behalf of the City of Chandler.

Section 3 That the various City officers and employees be and they hereby are authorized and directed to perform all acts as are necessary to give effect to this Resolution.

PASSED AND ADOPTED by the Council of the City of Chandler, Arizona, this _____ day of _____, 2014.

ATTEST:

_____ _____

CITY CLERK MAYOR

CERTIFICATION

I HEREBY CERTIFY that the foregoing Resolution No. 4812 was duly passed and adopted by the Council of the City of Chandler, Arizona, at a regular meeting held on the ____ day of _____, 2014, and that a quorum was present at the meeting.

_____

CITY CLERK

APPROVED AS TO FORM:

_____

CITY ATTORNEY KSM

ARIZONA MUTUAL AID COMPACT

This Compact is made and entered into by and among the signatory political jurisdictions within the State of Arizona and the Arizona Department of Emergency and Military Affairs.

Recitals

WHEREAS, one or more parties to this Compact may find it necessary to utilize all of their own resources to cope with emergencies and may require the assistance of another party or other parties; and,

WHEREAS, it is desirable that all resources of political subdivisions, municipal corporations, tribes and other public agencies be made available to respond to such emergencies; and,

WHEREAS, it is desirable that each of the parties hereto should assist one another when such emergency occurs by providing such resources as are available and needed including, but not limited to, fire, police, medical and health, environmental, communication, and transportation services to cope with the problems of response and,

WHEREAS, it is desirable that a compact be executed for the interchange of such mutual aid; and,

WHEREAS, it is desirable to utilize this agreement in exercising adopted emergency plans; and,

WHEREAS, it is desirable that the manner of financing of such cooperative undertakings be resolved in advance of such emergency;

NOW, THEREFORE, IT IS HEREBY AGREED by and between each and all of the signatories hereto as follows:

COMPACT

1. Purpose.

The purpose of this Compact is to define for the participating parties the emergency management terms and procedures which will be used among participating parties for dispatching mutual aid assistance to any affected area in accordance with local ordinances, resolutions, emergency plans or agreements. Contracting authority for political subdivisions of Arizona for this Compact is based upon A.R.S. § 26-308 which provides that each county and incorporated city and town of the state may appropriate and expend funds, make contracts and obtain and distribute equipment, materials and supplies for emergency management purposes. Tribal contracting authority will be in accordance with each Tribe's laws. Special District authority will be in accordance with their respective laws. Public education district authority is based on A.R.S. § 15-342(13) and A.R.S. § 11-952. This Agreement shall be construed in accordance the laws of the State of Arizona.

2. Scope.

The Scope of this Compact is to (1) provide the procedures to notify the Providing Parties of the need for emergency assistance; (2) to identify available resources; and, (3) to provide a mechanism for compensation for resources.

3. Definitions.

- **Automatic Mutual Aid** means the automatic dispatch and response of requested resources without incident specific approvals. These agreements are usually basic contracts; some may be informal accords.
- **Backfill** means replacement of the Requesting Party's personnel who perform the regular duties of other personnel while they are performing eligible emergency work.
- **Compact** means this document, the Arizona Mutual Aid Compact (AZMAC).
- **Director** is the Director of the Department of Emergency and Military Affairs (DEMA).
- **Emergency** or **Emergencies** means any disaster, emergency, or contingency situation which requires a collaborative effort among multiple Jurisdictions.
- **Exercise** is the exercising of adopted emergency plans utilizing the Homeland Security Exercise and Evaluation Program (HSEEP)
- **Jurisdiction** means an entity, including Political Subdivisions and tribal governments, which (1) has the authority to act, within a defined geographical area especially in times of emergency and (2) is a party to this Compact.

- **Local Mutual Aid** are agreements between neighboring jurisdictions or organizations that involve a formal request for assistance and generally cover a larger geographic area than automatic mutual aid.
- **Political Subdivision** means any county, incorporated city or town, fire district, or public education district, irrigation, power, electrical, agricultural improvement, drainage, and flood control districts, and other tax levying public improvement districts.
- **Providing Party** means the Jurisdiction providing aid in the event of an emergency.
- **Requesting Party** means the Jurisdiction requesting aid in the event of an Emergency.
- **Self-deployed** means to respond to an emergency without being requested by the Requesting Party.

4. Guiding Policy.

- Arizona Revised Statute (A.R.S.), Title 26, Military Affairs and Emergency Management.
- Arizona Administrative Code (A.A.C.), Title 8, Emergency and Military Affairs.
- National Incident Management System (NIMS), 2008

5. Procedures for Requesting Assistance.

A Requesting Party which needs assistance in excess of its own resources and existing automatic mutual aid or local mutual aid due to an emergency is authorized to request assistance from any party to this Compact. However, when making such requests, consideration shall be given to, and requests made, based on, but not limited to, the geographical proximity of other jurisdictions with that of the jurisdiction requesting assistance. All requests for assistance from the State must be coordinated through the Requesting Party's county emergency operations center, or tribal emergency operations center (whichever is applicable).

Requests should specify what the emergency is, what resources are needed and the estimated period of time during which such mutual aid shall be required, if known. Please use the Resource Request form provided in Appendix A.

6. Providing Party's Assessment of Availability of Resources and Ability to Render Assistance.

Subject to the terms of this Compact, the Providing Party shall make reasonable efforts to assist the Requesting Party. In all instances, the Providing Party shall render such mutual aid as it is able to provide consistent with its own service needs at the time, taking into

consideration the Providing Party's existing commitments within its own jurisdiction. The Providing Party shall be the sole judge of what mutual aid it has available to furnish to the Requesting Party pursuant to this Compact.

7. Implementation Plan.

Each party should develop an emergency operations plan that includes a process to provide for the effective mobilization of its resources, both public and private, including acceptance of mutual aid to provide or receive assistance under this Compact.

8. Contact List.

Each Party shall develop a contact list as outlined in Appendix B, which shall be provided to the Director for distribution to all other parties to this Compact.

9. Reimbursement Procedures between Parties.

If the Providing Party desires reimbursement for the assistance they are providing, the Requesting Party shall reimburse the Providing Party for all costs incurred in the mutual assistance, whether an incident has been declared an emergency or not. The Providing Party must declare its intent to seek reimbursement as part of their response to the Requesting Party's request for assistance (see Appendix A: Resource Request forms). The Providing Party and the Requesting party shall agree upon allowable costs for mutual assistance prior to the dispatch of any mutual assistance resources. Unless otherwise negotiated by the parties involved, the parties may reference the state allowable costs as defined in A.A.C. Title 8 (as may be amended from time to time). If the assistance is authorized and accepted, the Requesting Party shall reimburse the Providing Party all allowable costs of labor, equipment, and materials that have actually been expended during the execution of the mission assignment, after receipt of an itemized voucher and documentation is received.

If there has been a declaration of emergency from the Governor and/or President, the Requesting Party may be eligible for reimbursement for these mutual aid costs under the state or federal declaration of emergency. See item 10.

10. Reimbursement Procedures from the State.

If the Governor and/or President have declared an emergency, the Requesting Party can prepare an itemized voucher and documentation of all paid allowable costs including all the cost of the mutual aid resources reimbursed to any Providing Parties under this Compact, for submittal to the State for consideration for reimbursement in accordance with A.A.C. Title 8 (as may be amended from time to time). As per A.A.C. Title 8, R8-2-301, sub-parts 1, 12 & 15, only state agencies and political subdivisions are eligible to receive reimbursement under a Governor's Declaration. Any Tribal Nations as the Requesting Party would need to seek reimbursement under a Presidential Declaration. Any Tribal Nations as the Providing Party

would seek reimbursement from the Requesting Party as outlined in Item 9.

The state is not liable for any claim arising from an emergency for which the applicant receives funds from another source (A.A.C. Title 8, R8-2-312).

Self-deployed resources will not be reimbursed.

11. Personnel Compensation and Insurance.

The Requesting Party and the Providing Party shall be responsible for all compensation and insurance coverage of their respective employees and equipment.

12. Immunity.

The parties shall have such immunity as provided by applicable state, federal or tribal law.

13. Indemnification.

Each party (as "Indemnitor") agrees to defend, indemnify, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers. This compact is between Governmental entities. Should a signatory to this agreement use a contractor for any purpose, said contractor would be required to abide by ADOA Risk Management insurance requirements which are attached as Appendix C.

14. Term.

This Compact shall be effective on the date it is recorded with the Secretary of State. Except as otherwise provided in this Compact, this Compact shall terminate ten years after the effective date. This Compact, upon mutual consent of the parties may be extended for a period of time not to exceed 10 years. Any modification or time extension of this Compact shall be by formal written amendment and executed by the parties hereto.

15. ADA.

Each party shall comply with applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 United States Code. 12101-12213) and all applicable federal regulations under the Act, including 28 Code of Federal Regulation Parts 35 and 36.

16. Non-Discrimination.

To the extent of the law the Parties shall comply with Executive Order 2009-9, which mandates that all persons, regardless of race, color, religion, sex, age, or national origin not mentioned in Order shall have equal access to employment opportunities, and all other applicable state and Federal employment laws, rules, and regulations, including the Americans with Disabilities Act. Parties shall take affirmative action to ensure that applicants for employment and employees are not discriminated against due to race, creed, color, religion, sex, national origin or disability.

17. Compliance with Laws.

Each party shall comply with all federal, tribal, state and local laws, rules, regulations, standards and Executive Orders, as applicable, without limitation to those designated within this Compact. Any changes in the governing laws, rules and regulations during the terms of this Compact shall apply but do not require an amendment.

18. Worker's Compensation.

Each Party herein shall comply with the provisions of A.R.S §23-1022(E) by posting the public notice required. As provided for in A.R.S. §23-1022(D), an employee of a public agency who works under the jurisdiction or control of or within the jurisdictional boundaries of another public agency pursuant to a specific intergovernmental agreement or contract entered into between the public agencies is deemed to be an employee of both public agencies. However, the primary employer is solely liable for the payment of Workers" Compensation benefits. As such, each Party shall maintain Workers' Compensation insurance coverage on all of its own employees providing services pursuant to this agreement.

19. Insurance.

Each Party shall bear the risk of its own actions, as it does with all its operations, and shall determine for itself an appropriate level of insurance coverage and maintain such coverage. Nothing in this Agreement shall be construed as a waiver of any limitation on liability that may apply to a Party.

20. Non-appropriation.

Every payment obligation of the Parties under this Agreement is conditioned upon the availability of funds appropriated and allocated for the payment of such obligation. If funds are not appropriated, allocated and available or if the appropriation is changed by the legislature resulting in funds no longer being available for the continuance of this Agreement, this Agreement may be terminated by the Parties at the end of the period for which funds are

available. No liability shall accrue to the Party in the event this provision is exercised, and neither Party shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.

21. No Third Party Beneficiaries.

Nothing in the provisions of this Compact is intended to create duties or obligations to or rights in third parties not parties to this Compact or affect the legal liability of any party to the Compact by imposing any standard of care different from the standard of care imposed by law.

22. Entire Compact.

This document constitutes the entire Compact between the parties pertaining to the subject matter hereof. This Compact shall not be modified, amended, altered or extended except through a written amendment signed by the parties and recorded with the Arizona Secretary of State or Tribal government as appropriate.

23. Jurisdiction.

Nothing in this Compact shall be construed as otherwise limiting or extending the legal jurisdiction of any party. Nothing in this Compact is intended to confer any rights or remedies to any person or entity that is not a party.

24. Conflict of Interest.

The requirements of A.R.S. § 38-511 apply to this Agreement. The Parties may cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of the Party is, at any time while this Agreement or any extension is in effect, an employee, agent or consultant of Party with respect to the subject matter of this Agreement.

25. Supervision and Control.

Management of an emergency shall remain with the jurisdiction in which the emergency occurred. Supervision and control of Providing Parties' personnel and equipment shall be in accordance with National Incident Management System. The Requesting Party will be responsible for providing supplies and services, such as food, shelter, gasoline and oil, for on-site use of equipment and for the personnel providing assistance. All equipment and personnel used pursuant to this Compact shall be returned to the Providing Party upon being released by the Requesting Party or on demand of the Providing Party for such return.

26. Severability: Effect on Other Agreements.

It is expressly understood that this Compact shall not supplant existing agreements between some of the parties, which do provide for the exchange or furnishing of certain types of services on a compensated basis.

27. Severability.

If any provision of this Compact is held to be invalid or unenforceable, the remaining provisions shall continue to be valid and enforceable to the full extent permitted by law.

28. Responsibility of the Department of Emergency and Military Affairs.

Nothing within this Compact limits or restricts the duties and obligations the State of Arizona may have to respond to the emergency of any party.

29. Effective Date.

This Compact shall become effective as to each party when adopted by resolution and executed by the governing body of the jurisdiction, and shall remain operative and effective as between each and every party that has heretofore or hereafter executed this Compact, until participation in this Compact is terminated by the party. The termination by one or more of the parties of its participation in this Compact shall not affect the operation of this Compact as between the other parties thereto. The Director shall identify on their website, with updates as needed, all parties signatory to this Compact.

30. Execution Procedure.

Execution of this Compact shall be as follows:
This Compact, which will be designated as "ARIZONA MUTUAL AID COMPACT," shall be executed in counterparts by the governing body of each party. Upon execution, the counterpart will be filed with the Secretary of State and the Tribal government as applicable and be provided to the Director. This Compact will be effective between all parties who execute this Compact even if it is not executed by all eligible jurisdictions.

31. Termination.

Termination of participation in this Compact may be effected by any party as follows:

Notice of termination will be given to the Director 20 days prior to termination.

Any party may, by resolution of its governing body, terminate its participation in this Compact and file a certified copy of such resolution with the Secretary of State or the Tribal government, with a copy to be provided to the Director.

The parties to this Compact understand and acknowledge that this Compact is subject

to cancellation by any party pursuant to A.R.S. § 38-511 or applicable Tribal law.

32. Dispute Resolution.

The Parties to this Agreement agree to resolve all disputes arising out of or relating to this Agreement through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518 except as may be required by other applicable statutes.

33. Record Retention

Pursuant to A.R.S. §§ 35-214 and 35-215, the Parties shall retain all records relating to this Agreement for a period of five years after completion of the Agreement. All records shall be subject to inspection and audit by the State of Arizona at reasonable times.

ARIZONA MUTUAL AID COMPACT
SIGNATURE PAGE

CITY OF CHANDLER

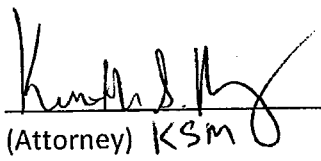
IN WITNESS WHEREOF, the parties hereto each sign this Arizona Mutual Aid Compact signature page. The signor warrants that he or she has been duly authorized to commit the jurisdiction to participate in the Compact by formal approval of the jurisdiction's governing body.

_____ _____
(Signing Authority) Date

ATTEST: _____ _____
(Attesting Authority) Date

Date of formal approval by governing body: _____

Pursuant to A.R.S. § 11-952(D) or applicable Tribal law, the attorney for the above entity has determined that the foregoing Compact is in proper form and is within the powers and authority of the entity as granted under the laws of this State and the applicable Tribal government.


(Attorney) KSM _____ Date

Appendix A

ARIZONA MUTUAL AID COMPACT (AZMAC)

EMERGENCY MANAGEMENT RESOURCE REQUEST

Date of Request	Requesting Agency Tracking Number
Requesting Organization	Organization Point of Contact
	Work Cell E-Mail
Requested Resource Type/Kind	Quantity Unit of Measure Date/Time Required

Resource must come with:

☐ Fuel ☐ Meals ☐ Operator(s) ☐ Water

☐ Maintenance ☐ Lodging ☐ Power ☐ Transporter

Mission

Special Instructions

Request Forwarded to

Contact Name Organization/Agency Vendor Date/Time of Submission

Request Approved by _____ **Date** _____

Appendix A

ARIZONA MUTUAL AID COMPACT (AZMAC)

EMERGENCY MANAGEMENT RESOURCE REQUEST

Date of Request	Assisting Agency Tracking Number
Assisting Organization	Organization Point of Contact
	Work Cell E-Mail
Requested Resource Type/Kind	Quantity Unit of Measure Date/Time Required

Offer

Travel Costs Equipment Costs Commodities

Personnel

F. Name	L. Name	Phone	E-Mail	Regular Salary/ Hourly Rate	Regular Fringe Benefit Hourly Rate	Overtime Salary/ Hourly Rate	Overtime Fringe Benefit Hourly Rate

Estimated Resource Cost _____

Providing Party Agency Representative Signature and Date

_____ _____

Representative Name and Title (Print) Signature & Date

Requesting Party Agency Representative Signature and Date

_____ _____

Representative Name and Title (Print) Signature & Date

Appendix B

ARIZONA MUTUAL AID COMPACT (AZMAC)
POINTS OF CONTACT

Date:

Name of Jurisdiction: City of Chandler

Mailing Address:

City, State, Zip Code:

Authorized Representatives to Contact for Mutual Aid Assistance

	Primary Contact	1st Alternate	2nd Alternate
Name	Keith Hargis		
Title	Battalion Chief		
24-Hr Phone No.	(480) 216-7570		
Address	151 E. Boston St.		
Day Phone No.	(480) 782-2161		
Night Phone No.			
Fax No.			
Email	keith.hargis@chandleraz.gov		

Appendix C

ARIZONA MUTUAL AID COMPACT (AZMAC)
USE OF A CONTRACTOR

In addition, each signatory shall cause its contractor(s) and subcontractors, if any, to defend, indemnify, and hold harmless the State of Arizona, any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and their respective directors, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of signatory's contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable."

Insurance Requirements for Governmental Parties:

None.

Insurance Requirements for Any Contractors Used by a Party to the Intergovernmental Agreement:

(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.) The insurance requirements herein are minimum requirements and in no way limit the indemnity covenants contained in the Intergovernmental Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from liabilities that might arise out of the performance of the work under this Contract by the Contractor, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.

A. Minimum Scope and Limits of Insurance: Contractor shall provide coverage with limits of liability not less than those stated below.

1. Commercial General Liability – Occurrence Form
Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability.

• General Aggregate	$2,000,000
• Products – Completed Operations Aggregate	$1,000,000
• Personal and Advertising Injury	$1,000,000
• Damage to Rented Premises	$ 50,000
• Each Occurrence	$1,000,000

a. The policy shall be endorsed (Blanket Endorsements are not acceptable) to include the following additional insured language: "The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor." Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

b. Policy shall contain a waiver of subrogation endorsement (Blanket Endorsements are not acceptable) in favor of the "State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees" for losses arising from work performed by or on behalf of the Contractor.

2. Business Automobile Liability
Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) $1,000,000

a. The policy shall be endorsed (Blanket Endorsements are not acceptable) to include the following additional insured language: "The State of Arizona, and its departments, agencies, boards, commissions, universities, officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising

out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor". Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.

b. Policy shall contain a waiver of subrogation endorsement (Blanket Endorsements are not acceptable) in favor of the "State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees" for losses arising from work performed by or on behalf of the Contractor.

(Note that the other governmental entity(ies) is/are also required to be additional insured(s) and they should supply the Contractor with their own list of persons to be insured.)

c. Policy shall contain a severability of interest provision.

3. Worker's Compensation and Employers' Liability

• Workers' Compensation	Statutory
• Employers' Liability	
Each Accident	$1,000,000
Disease – Each Employee	$1,000,000
Disease – Policy Limit	$1,000,000

a. Policy shall contain a waiver of subrogation endorsement (Blanket Endorsements are not acceptable) in favor of the "State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees" for losses arising from work performed by or on behalf of the Contractor.

b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. § 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. Additional Insurance Requirements: The policies are to contain, or be endorsed (Blanket Endorsements are not acceptable) to contain, the following provisions:

1. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary insurance and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S § 41-621 (E).

2. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of its Contract with the other governmental entity(ies) party to the IGA.

C. Notice of Cancellation: With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to the Department and shall be sent by certified mail, return receipt requested.

D. Acceptability of Insurers: Contractors insurance shall be placed with companies licensed in the State of Arizona. Insurers shall have an "A.M. Best" rating of not less than A- VII or duly authorized to transact Workers' Compensation insurance in the State of Arizona. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. Verification of Coverage: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements (Blanket Endorsements are not acceptable) are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department. The State of Arizona project/contract number and project description are to be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time.

F. Subcontractors: Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

G. Approval: Any modification or variation from the *insurance requirements* in any Intergovernmental Agreement must have prior approval from the State of Arizona Department of Administration, Risk Management Division, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.

H. Exceptions: In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.