

## **A\_06 – Bonding and Insurance Requirements**

### **Bonding**

(a) Definitions. As used in this clause-

Original contract price means the award price of the contract; or, for requirements contracts, the price payable for the estimated total quantity; or, for indefinite-quantity contracts, the price payable for the specified minimum quantity. Original contract price does not include the price of any options, except those options exercised at the time of contract award.

(b) Amount of required bonds. The successful offeror shall furnish performance and payment bonds to CUSP as follows:

(1) Performance bonds ( Standard Form 25). The penal amount of performance bonds at the time of contract award shall be 100 percent of the original contract price.

(2) Payment Bonds ( Standard Form 25A). The penal amount of payment bonds at the time of contract award shall be 100 percent of the original contract price.

(3) Additional bond protection. (i) CUSP and USFS may require additional performance and payment bond protection if the contract price is increased. The increase in protection generally will equal 100 percent of the increase in contract price.

(ii) CUSP and USFS may secure the additional protection by directing the Contractor to increase the penal amount of the existing bond or to obtain an additional bond.

(c) Furnishing executed bonds. The selected Contractor shall furnish all executed bonds, including any necessary reinsurance agreements, to CUSP during the contract phase of the project, or otherwise specified by CUSP, but in any event, before starting work.

(e) Notice of subcontractor waiver of protection ( 40 U.S.C. 3133(c)). Any waiver of the right to sue on the payment bond is void unless it is in writing, signed by the person whose right is waived, and executed after such person has first furnished labor or material for use in the performance of the contract.

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### **`CUSP Insurance Requirements**

A. During the term of this contract, the contractor shall obtain and maintain at all times, insurance in the following kinds and amounts:

1) Workers' Compensation Insurance as required by state statute, and Employer's Liability Insurance covering all of contractor's employees acting within the course and scope of their employment.

2) Commercial General Liability Insurance written on ISO occurrence form CG 00 01 10/93 or equivalent, covering premises operations, fire damage, independent contractors, products and completed operations, blanket contractual liability, personal injury, and advertising liability with minimum limits as follows:

- a. \$1,000,000 each occurrence;
- b. \$1,000,000 general aggregate;
- c. \$1,000,000 products and completed operations aggregate; and
- d. \$50,000 any one fire.

If any aggregate limit is reduced below \$1,000,000 because of claims made or paid, the contractor shall immediately obtain additional insurance to restore the full aggregate limit and furnish to the State a certificate or other document satisfactory to the State showing compliance with this provision. Contractor shall have CUSP named as an additional insured on Contractor's Commercial General Liability Insurance, with an endorsement for the insurer reflecting the additional insured status being provided as set forth in Paragraph 6(F). Said endorsement shall identify CUSP as an additional insured for on-going and completed operations.

3) Automobile Liability Insurance covering any auto (including owned, hired and non-owned autos) with a minimum limit as follows: \$1,000,000 each accident combined single limit.

4) Professional liability insurance with minimum limits of liability of not less than \$1,000,000.

**B. CUSP shall be named as additional insured on the Commercial General Liability and Automobile Liability Insurance policies (leases and construction contracts will require the additional insured coverage for completed operations on endorsements CG 2010 11/85, CG 2037, or equivalent).**

C. The Insurance shall include provisions preventing cancellation or non-renewal without at least 45 days prior notice to CUSP by certified mail (10 days for nonpayment of premium).

D. The Contractor will require all insurance policies in any way related to the contract and secured and maintained by the contractor to include clauses stating that each carrier will waive all rights of recovery, under subrogation or otherwise, against CUSP, its officers, agents, employees and volunteers.

E. All policies evidencing the insurance coverages required hereunder shall be issued by insurance companies satisfactory to CUSP's insurers.

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F. The Contractor shall provide certificates showing insurance coverage required by this contract to CUSP upon execution of this contract. No work shall be performed until such certificates are provided.