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**RFP ADDENDUM #6**

Date of Addendum: 4/12/2018

**NOTICE TO ALL POTENTIAL RESPONDENTS**

The Request For Proposals (RFP) is modified as set forth in this Addendum. The original RFP Documents, and any previously issued addenda, remain in full force and effect, except as modified by this Addendum, which is hereby made part of the RFP. Respondent shall take this Addendum into consideration when preparing and submitting its Proposal.

**PROPOSAL SUBMITTAL DEADLINE**

The Proposal submittal deadline of 2:00 pm on May 4, 2018 remains the same and is not altered by this Addendum.

**QUESTIONS AND ANSWERS**

The following questions and answers are provided as a matter of information to clarify issues raised about the RFP.

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1. Regarding the definition of Minor vs Major system repairs:
    - a. In the case of an underground sewer main repair, assuming a total cost of approximately \$20,000 for excavation, traffic control, by-pass pumping, pipe repair, backfill, and paving, and assuming this repair would **not** meet the definition of : *can be capitalized in accordance with the principles set forth in the Local Bond Law, N.J.S.A. 40A:2-1 et seq. and are otherwise consistent with the policies of the Local Finance Board within the Division of Local Government Services in the New Jersey Department of Community Affairs.*
      - i. Who would pay for this repair? The Company or the City?
      - ii. Would the City's on-call emergency contractor perform this work?

*The City will not entertain hypothetical situations in the context of the RFP process. The Contract Operator is responsible for the payment for all non-Capital items. Any uncertainty regarding improvements and/or repairs will be resolved by the Operations Committee established in the Contract. The sewer main repair referenced above would be a Capital item and would be paid for by the City. The successful bidder for on call emergencies would perform the work. The Contract Operator would be responsible to obtain a quotation from the on call contractor for review and evaluation by the City Business Administrator or his/her designee.*

- b. In the case of a repair to component of a large high service pump, assuming a total cost of approximately \$20,000 for parts, labor, and materials, and assuming this repair would **not** meet the definition of : *can be capitalized in accordance with the principles set forth in the Local Bond Law, N.J.S.A. 40A:2-1 et seq. and are otherwise consistent with the policies of the Local Finance Board within the Division of Local Government Services in the New Jersey Department of Community Affairs.*
      - i. Who would pay for this repair? The Company or the City?

***The City will not entertain hypothetical situations in the context of the RFP process. The Contract Operator is responsible for the payment for all non-Capital items. Any uncertainty regarding improvements and/or repairs will be resolved by the Operations Committee established in the Contract. The repair referenced above would be a Capital item and would be paid for by the City. The Contract Operator would be responsible to identify and engage an experienced, qualified contractor to make the repairs within a reasonable time frame.***

2. To allow us to make an accurate determination of the underground asset management scope and pricing, please provide a breakdown of collection system pipe diameters, showing approximate linear footages for each size category.

***This information is not available.***

3. Please provide the quantity of sludge disposed from the WTP for the past 3 years. We note that the Edgeboro (*Middlesex County*) Landfill has no record of any disposal by the current operator. Reportedly this has not occurred since 2013.

***2017-1,176 Tons***

***2016-764.79 Tons***

***2015 – 1,096.89 Tons***

4. We assume this material is classified as non-hazardous, non-ID-27 and can be disposed of at a landfill with no permitting requirements. Please confirm this understanding.

***This is correct.***

5. Draft Services Agreement, page 20, Part 5. This section requires the Company to pay permit fees. Customarily, the City, as the named permittee, would pay these fees. If it is desired to have Company pay, please provide the fees for each permit, and frequency of payment.

<b>PERMIT NAME</b>	<b>PERMIT #</b>	<b>FEE</b>	<b>FREQUENCY</b>
<b>1. Water Allocation</b>	<b>5006</b>	<b>\$15,270</b>	<b>Annual</b>
<b>2. Operations Permit</b>	<b>1216001</b>	<b>\$3,280</b>	<b>Annual</b>
<b>3. Air Quality</b>	<b>16015</b>	<b>\$1,267</b>	<b>4 years</b>
<b>4. USGS</b>	<b>Deep Run Dam</b>	<b>16,900</b>	<b>Annual</b>
<b>5. CSO</b>	<b>NJ0156132</b>	<b>\$9,450</b>	<b>Annual</b>
<b>6. Discharge to Ground Water</b>	<b>NJ0085472</b>	<b>\$2,933</b>	<b>Annual</b>
<b>7. Storm Water</b>	<b>NJG0153273</b>	<b>\$9,000</b>	<b>Annual</b>

6. Was a Cyber Security Evaluation performed, according to the requirements of the NJ Water Quality Accountability Act?

***Yes.***

7. How are SCADA signals transmitted between sites? (radio, leased line, cellular, broadband, etc.). Please provide information for both water and wastewater sites.

***SCADA System is localized to the WTP only. The reservoir communicates with the WTP by telephone (land) line only. There is no communication with the wells.***

8. Does the wastewater system have a SCADA operating system? If so, please describe the software and location of PC's.

***No.***

9. Please provide information on insurance types and coverages, etc. that the Company will be required to provide.

***The Contract Operator shall provide insurance coverage as provided under the current contract the terms of which are attached hereto as Exhibit A which provisions will be added to Article VI of the Contract.***

10. Draft Service Agreement, page 14, Part H, states: “Company will provide, at its cost and expense, all...vehicles...necessary for the management, operation, maintenance or repair of the Systems...”

Referencing the list of City Equipment for Company’s use in Exhibit D of the Service Contract:

- We assume the Company is to pay for routine maintenance as a Minor Repair item for each of these assets. ***No. It is the responsibility of the contract operator to pay for the costs of maintenance and replacement if necessary. If a vehicle is replaced by the contract operator, it will become the property of the contract operator, not the City.***
- We assume the City will pay for replacement of these assets as a Major Repair or Capital item once they have reached the end of their useful life.  
***See above.***

Please confirm these assumptions, or provide alternative direction as necessary.

***See above.***

11. We note the response to Question 61 in Addendum #2, regarding the provision of Security Services: ***The Contract Operator is expected to provide and fund security for all Systems facilities.***

A. It is our understanding that security services by an outside firm are currently provided at the Runyon WTP and wellfield. It would be our intention to provide the same coverage at these facilities. No security services by a 3rd party vendor would be provided at the other System facilities.

B. Please confirm this understanding and approach, or provide alternative information and direction if the City so desires. ***This is correct.***

12. Please provide the make and model of the current AMR reading equipment that the Company is to provide.

***The equipment required to read the existing meters:***

***Drive by Sensus Meters: Laptop with walk by/drive by mode software***

***Drive by Sensus Meters: Vehicle Gateway Base station***

***Drive by Sensus Meters: Register Programmer***

***Itron handheld (FC-300) with docking station***

***Versa-Pro gun***

**Questions on the form of Contract per Section 2.5.8 of the RFP**

13. Would the City consider supplementing the definition of “Stormwater System” with a map, as “owned or used in the City” is somewhat vague?

*No. As the separated storm water system currently comprises less than 5% of the system, it is effectively part of the overall sewer system.*

14. Would the City consider a commercially reasonable overall cap on liability under the Agreement?

*No.*

15. RFP Addendum 2, item #55 provides a definition of Capital Improvements and Major Repair which includes the criteria that the item “can be capitalized” in accordance with Local Bond Law. Would the City consider reverting back to the application of GAAP principles instead of Local Bond Law on that point, in keeping with common industry practice?

*No.*

16. With respect to Sections 4.3(T)(2) and (4), Emergencies,  
a. First, would the City consider allowing the Company to make its notification to the City as soon as reasonably possible after the fact in emergency situations [i.e. main break]?

*Yes, Contract Section 4.3(T)(2) is amended as follows:*

*(2) The Company will ~~immediately~~ notify the City as soon as reasonably possible of any activity, problem or circumstances that it becomes aware of that threatens the health, safety and welfare of the users of the Systems or the residents of the City. In an emergency affecting the safety of persons or property, the Company will act, at its discretion, to prevent or contain threatened damage, injury or loss and the Company will be reimbursed for any costs incurred in connection therewith.*

- b. Secondly, would the City consider elimination of the Operations Committee approval from the decision making process relative to spending funds in an emergency situation and instead have the matter be governed by the contractual definitions of Capital Improvement and Major Repair or Minor System Repair?

*No.*

- c. Lastly, as to reimbursement mechanics, would the City consider including a clause to provide for reimbursement mechanics and a reference back to the payment terms in Section 4.1(C)?

*No.*

17. With respect to the maintenance bond requirement (section 4.4(c)(3)(m), a reference is made in Exhibit A to a six-year capital improvement project; does the maintenance bond pertain to the capital improvements?

*No.*

18. With respect to the performance bond provision [which currently provides that the inability of SUEZ to get a replacement bond (should the Surety choose not to renew) effects a call under the bond], would the City consider a change in the provision such that neither non-renewal by the Surety, nor failure, nor inability of the Principal to file a performance bond for subsequent terms under said contract shall constitute loss to the obligee recoverable under the bond?

*No.*

19. Would the City consider the concept of a compensation adjustment as appropriate in the force majeure provision (section 4.6)?

*No.*

20. Would the City consider including timely review and approval of Capital Improvement requests as an express part of the City's Responsibilities in Section 4.2, and agree to indemnify the Company for claims resulting from a failure by the City to approve Capital Improvements? Similarly, would the City agree to indemnify the Company if the On-going (2018) Capital Improvements are not completed and related claims result?

***Implementation of the capital budget is a responsibility of the contract operator. Funding of the capital budget is a responsibility of the City. Funding decisions are made based on a calendar established by the State of New Jersey on an annual basis. Liability follows those responsibilities.***

21. Would the City consider including payment of demobilization costs to the Company in the event of City default (section 3.3)?

***No.***

22. Referencing Sections 3.5, 4.3(S)(1) and 4.5, would the City consider a transition section on the front end of the Contract to protect against the possibility that the existing City contractor does not transition out of operations effectively?

***No.***

23. What is the nature of the operational space referred to in Section 4.2(I) of the contract?

***This includes all facilities inspected during the 02.20.18 tour and the 04.09.18 tour.***

24. With respect to Section 4.3(D), water loss responses, would the City consider designation of those items according to the contractual definitions of Capital Improvement and Major Repair or Minor System Repair, rather than the Operations Committee determination?

***No.***

25. With respect to Section 4.3(E) would the City consider a provision whereby the Company assumes the risk on consumption of these items, but not on tariff/pricing changes?

***No.***

26. Would the City consider a clause to provide for the reimbursement mechanics for items outside the base fee (Section 4.3(F) is an example) and a reference back to the payment terms in Section 4.1(C)?

***No.***

27. Would the City consider broadening Section 4.3(H) to include subcontractors and include a clause to provide for reimbursement mechanics and a reference back to the payment terms in Section 4.1(C)?

***No.***

28. With respect to Section 4.3(G) and application of local public contracts law (and city purchasing regulations), would the City consider the Company exempt from this requirement? Per N.J.S.A. 40A:11-2, *the term shall not include a private firm that has entered into a contract with a public entity for the provision of water supply services pursuant to P.L.1995, c.101 (C.58:26-19 et al.). "Contracting unit" shall not include a private firm or public authority that has entered into a contract with a public entity for the provision of wastewater treatment services pursuant to P.L.1995, c.216 (C.58:27-19 et al.).*

***N.J.S.A..58:26-19 et al. and N.J.S.A. 58:27-19 et al. do not apply to this RFP process and so the LPCL statutorily must apply whenever City funds are being expended.***

29. With respect to the City equipment listed as available for use in Exhibit D, as referenced in City Responsibilities section 4.2(I), will the city replace that equipment when it reaches its useful life/need replacement during the term?

***See Question 10 for the response to this question.***

30. There appears to be a conflict between Sections 4.2 and 4.3(P)(5) on the obligation to obtain permits. Can the City clarify the distinction between operating permits and permits needed for capital improvements?

***Operating permits are those set forth in Question 5. Capital projects need several approvals/permits including those issued by NJEIT and NJDEP.***

31. Will the City make the obligation to cooperate upon transition in Section 4.3(S) mutual?

***Yes. Contract Section 4.3(S) is amended as follows:***

***(1) The Company and the City will cooperate in good faith with the City's agents, contractors and subcontractors and will provide for the orderly transition of Services between the City and/or its contractors and the Company without interruption or disruption of Services and without adverse impacts to the users of the Systems or to the City.***

32. In Section 4.3(P)(6), can the City clarify their role as owner, not operator?

***Yes. Contract Section 4.3(P)(6) is amended as follows:***

***The City will comply with SDWA, RCRA, CERCLA (as ~~operator~~ owner), OSHA, PEOSHA, WQAA, and any and all other applicable local, State and Federal laws, codes, ordinances and regulations as they pertain to the Systems. The City will pay all regulatory fines and penalties, without limitations, assessed against the Company and/or the City for the City's non-compliance therewith.***

33. With respect to Section 4.3(Q), can the City provide some details on the historic volume of development and level of effort involved?

***This depends on the market and developer interest. It has varied greatly from none to a few redevelopment projects.***

34. With respect to Section 4.3(X)(4), will the City consider replacing "Authorized Representative" with "Operations Committee"?

***No.***

35. With respect to Section 4.3(X)(5) can the City please clarify expectations; i.e., is the expectation that sewers actually need to be cleaned every 3 years?

***The provision reads clearly that inspections must take place at least every three years and the cleaning is necessary when it is required to remove blockages.***

36. Would the City consider adding a "where economically/operationally feasible/appropriate" qualifier to Section 5.2(F)?

***No. This wording is consistent with statutory obligations of the City.***

37. What will the Company's responsibilities with respect to MCUA and Woodbridge contracts?

***The Contract Operator will be responsible to manage the relationship and cooperate in every way on behalf of the City to assure the City's responsibilities and obligations are satisfied. The City is responsible for financial obligations under the MCUA and Woodbridge contracts.***

38. Can the City provide 5 years' worth of prior CIPs (Exhibit E to the Contract)?

***See FTP Site.***

39. Will the City consider a provision that allows for an adjustment to the service fee that results from the capital improvement projects (i.e., impact on costs related to power, chemicals, odor control measures, maintenance)?

***No.***

40. With respect to Section 4.4(B) On-going capital Improvements – will the Company be compensated for the design and permitting for ongoing capital improvements separately from

the 10% GC fee? Can the City include a clause to provide for the reimbursement mechanics and a reference back to the payment terms in Section 4.1(C)?

***There will not be any reimbursement for design costs as stated in the RFP. Costs of permits will be reimbursed or paid directly on a dollar for dollar basis without any additional provisions re: reimbursement mechanics.***

41. Can Section 4.4(C)(2) be clarified to make clear that this deliverable is for all applicable City construction projects related to the systems, not all City construction projects generally?

***Such a clarification is unnecessary as the RFP pertains to the contract operator for the Water, Waste Water and Storm water Systems.***

42. In connection with Section 4.4.(C)(5)-- which provides that if outside vendor services are sought, such services are subject to local public contracts law-- will the City consider the Company exempt from this requirement? Per N.J.S.A. 40A:11-2, *the term shall not include a private firm that has entered into a contract with a public entity for the provision of water supply services pursuant to P.L.1995, c.101 (C.58:26-19 et al.). "Contracting unit" shall not include a private firm or public authority that has entered into a contract with a public entity for the provision of wastewater treatment services pursuant to P.L.1995, c.216 (C.58:27-19 et al.).*

***No, see question 28.***

43. With respect to Section 4.4(C)(5), Additional Capital Improvements, will the Company be compensated for the design and permitting for Additional Capital Improvements separately from the 10% construction inspection/administration fee (provided design and permitting is done in-house)?

***No, see question 40.***

44. To avoid conflict/contradiction, can the City eliminate Section 4.4(G)(3) in its entirety due to the fact that the content has already been set forth in the sections on Company Responsibilities and Additional Capital Improvements?

***No, content has not "already been set forth".***

45. If Section 4.4(G) remains, can subpart (3) be clarified to make clear that this deliverable is for all applicable City projects related to the systems, not all City and private developer projects generally?

***Such a clarification is unnecessary as the RFP pertains to the contract operator for the Water, Waste Water and Storm water Systems.***

### **Operational / Technical / Informational Questions**

46. Would the City consider allowing the financial qualifications to be met either by Respondent or its guarantor?

***Yes.***

47. What elements of the Water Quality Accountability Act (QWAA) have been completed to date?

***All of those matters that are required to be completed as of 04.01.2018.***

48. Please provide the amount of residuals from the WTP that have been disposed year by year over the past three years and the cost associated with the transportation and disposal.

***See Question 3; Most of the disposal was at no cost to the company. The factor affecting disposal fees depends on the consistency of the material.***

49. The 2016-17 annual report provided in the RFP, indicated that there were 2,026 water mark-outs and 608 wastewater mark-outs during the year? Can those be verified.

***The report itself is a compilation/verification of the tabulation of daily reports.***

50. The 2016-17 annual report provided in the RFP indicated that there were 26 water distribution leaks during the year. Please provide a breakdown of the breaks by pipe size.

***All leaks were on 6 inch diameter cast iron water mains.***

51. Is police traffic control required for water main and sewer main repairs and sewer cleaning?

***The police department determines when traffic control is required. Typically on local streets it is not required while on collectors and arterials it is required.***

52. Can the City provide information on collection and distribution piping inventory including type, length, and size, as well as a valve listing by size and type?

***No.***

53. Can the City provide details on the system's water meters (type, age, etc.)?

***The vast majority of residential meters were installed at the beginning of the last contract making them 19-20 years old. The City has funded and, as previously reported, the contractor is in the midst of replacing all of these meters. Larger meters for commercial and other uses are dealt with on an item by item basis.***

54. Can the City please provide the exhibits that are missing from Appendix F.1 2017 Annual Report of City System?

***Response pending.***

55. Can the City consider limiting to five years the Proposal Requirements under Section 2.5.2 (c) and (d) and Section 2.5.3 (c) and (d) similar to the limitation used under Section 2.5.5(2)?

***No.***

56. Please provide access to the City's SCADA system. Perhaps that can be accomplished during the scheduled site visit on April 9, 2018.

***Done.***

57. Please provide meter population data by

- Meter Installation date - ***at around 2001***
- Meter Size – ***5/8" thru 8"***
- Type (disc, turbine, compound, fire, etc.) – ***5/8" – 2" are Disc. 3,4,6 are compound. All others are turbine***
- Location (inside, outside pits) – ***Approximately 100 are in meter pits. All other are inside the building.***

58. Please provide meter registration efficiency information

- Monthly Revenue by meter size/revenue class report. Monthly consumption report by meter size and by meter installation date  
***This information is not available.***
- Results of accuracy tests performed last two years on production and customer meters  
***Results of meter tested have been within industry standards of + - 1.5%. Meters are test upon customer request or when company deems necessary.***

59. Please provide meter reading Information



- # of meters by customer type (residential, commercial, industrial)
  - **Residential Commercial Industrial Municipal**
  - **10,624 999 34 39**
- Meter Registration; CCF, MGL? - **CCF**
- Average reads per day - **500**
- Reading technology (visual, remote, automatic); AMR, AMI, Manual – **Majority is manual. 2,414 are AMR**
- Number of meter readers/productivity – **1 meter reader/100% productivity**
- Number of fire services (are they metered?) -**204**
- Number of New Services per year - **2**
- Number of re-reads per month – **approximately 20**

60. Please provide Meter Maintenance Information

- Current meter testing policies and procedures - **meters are tested upon customer request or as the company deems necessary.**
- Current meter repair policies and procedures - **meters are replaced when found damaged or not working properly.**

61. Can the City provide a copy of the sewer map showing locations of the separate and combined sanitary sewers, CSO regulators and outfalls?

**As was stated on the tour, the mapping is not available for public distribution.**

62. Can the City provide the status of the activity with BASF regarding the groundwater contamination with 1, 4 Dioxane? What are the obligations of BASF and the City?

**The City and BASF entered into an agreement where BASF is to find short and long term solutions to stop or minimize the contamination of 1,4 D from entering the raw water going to the plant having concentration above the ISGWQS of 0.4ppb.**

**The short term solution is to keep track of the concentration of 1,4 D and alternate the wells containing the contaminant to maintain the levels below 0.4ppb. Should this level exceed the .4 ppb limit, the well(s) with the highest concentration are to be shut down and the purchasing of water to meet the demand is to be considered. Any purchasing of water is to be approved by BASF first.**

**Since no traces of 1,4D was found on the Ranney well, to ensure continuity of the flow of water from the Ranney well, BASF has agreed to install as a redundancy, an additional 4mgd pump. The City will pay for the pump and the installation and BASF will reimburse the City the full amount.**

**To maintain accurate flow data while doing the mass balance, BASF has also agreed to replace the existing flow meters in the Ranney well with one flow meter to be installed outside the building.**

**For the long term solution, BASF will consider various alternatives including an in-situ application. Any and all proposed long term solutions are to be approved by the City and DEP.**

**All costs are to be covered or reimbursed to the City by BASF.**

EXHIBIT A

**Section 6.14 Insurance.** The Company shall not commence the performance of the Services under this Contract until it has provided insurance of the types and in such amounts as set forth herein and such other insurance as shall be reasonably requested by the City provided such insurance is commercially reasonably available and such insurance has been approved by the City nor shall the Company allow any subcontractor to work on its subcontract until all similar insurance required of the subcontractor has been so obtained and approved or the Company has determined that the Company's insurance is sufficient to cover the actions of the subcontractor. The Company shall maintain such insurance in full force and effect for the Term of this Contract.

The insurance policies provided by the Company at its expense and more particularly described hereafter shall specifically designate the City as additional insured to the extent of the negligent acts, errors or omissions of the Company and shall further contain such provisions and shall insure the City and City officials, officers, employees, consultants and agents, pursuant to the terms and requirements set forth herein and to the fullest extent allowed by the law.

The Company shall be solely responsible for all injuries to persons or property (other than to the extent such costs are paid by worker's compensation insurance) occurring on account of the performance of Services hereunder, regardless who is performing the Services.

Certificates from the insurance carrier, stating the limits of liability and the expiration date for each policy and type of coverage shall be filed with the City before the execution of the Contract. The certificates shall contain the following express obligation:

"This is to certify that the policies of insurance described herein have been issued to the insured for whom this certificate is executed and are in force at this time. In the event of cancellation, non-renewal or material change in a policy affecting the certificate holder, thirty (30) Days prior written notice shall be given the certificate holder except in the event of a cancellation for failure to pay the insurance premium wherein ten (10) days prior written notice shall be given to the certificate holder"

Such certificates shall specifically refer to this Contract and article, and the following paragraphs in accordance with which the insurance is being furnished, and state that such insurance is as required by such paragraphs of this Contract.

All insurance coverage shall be with acceptable insurance companies only which possess an A.M. Best Company rating of at least A+. All insurance policies herein required of the Company shall be written by a company duly authorized and licensed to

do business in the State and be executed by some agent therein duly licensed as an agent in said State.

Insurance shall include the type of insurance specified below in not less than the amounts stated. Neither approval by the City nor a failure to disapprove insurance furnished by the Company, shall release the Company from full responsibility for liability, damages and accidents as set forth herein.

The Company shall take out and maintain during the Term of this Contract the following types of insurance in an amount, for each policy, not less than the amounts stated:

(a) Commercial General Liability Insurance (i) The Company shall maintain during the Term of this Contract such commercial general liability insurance as shall protect it against claims for damages resulting from bodily injury, including wrongful death and property damages, which may arise from the performance of Services hereunder regardless of by whom performed. The minimum acceptable limits of liability to be provided by such insurance shall be as follows:

Bodily Injury Limits and Property Damage - \$1,000,000 each occurrence/\$2,000,000 aggregate.

Products liability and completed operations - \$2,000,000 aggregate.

Personal injury liability - \$2,000,000 aggregate.

(ii) The commercial general liability insurance required by the preceding subparagraph shall include the following extensions of coverage:

(A) The coverage shall be provided under a commercial general liability form of policy or similar thereto.

(B) XCU Coverage - If the Contract requires any work procedures involving blasting, excavating, tunneling or other underground work, the liability coverage shall include standard blasting or explosion coverage, standard collapse coverage and standard underground coverage, commonly referred to as XCU property damage liability coverage with limits of \$1,000,000 CSL.

(C) Contractual liability coverage shall be included.

(D) Protective liability coverage shall be included to protect the Company against claims arising out of operations performed by others and contractors protective liability coverage for its subcontractors.

(b) Worker's Compensation and Employer's Liability Insurance in accordance with the requirements of the laws of the State and all other applicable laws and regulations. If any class of employees engaged in hazardous work cannot be protected by workmen's compensation and liability insurance, the Company shall provide adequate insurance for each class of employees.

The Company shall take out and maintain during the Term of this Agreement the applicable statutory Worker's Compensation Insurance with an insurance company authorized to write such insurance covering all of its employees, and in the case of any work sublet, the Company shall require the subcontractor similarly to provide statutory Worker's Compensation Insurance for the latter's employees. The Company shall take out and maintain during the Term of this Contract, Employer's Liability Insurance with a

minimum limit of \$1,000,000 with an insurance company authorized to write such insurance and the Company shall require each of its subcontracts similarly to maintain Employer's Liability Insurance on its employees.

(c) Automobile Liability and Property Damage Insurance

The Company shall take out and maintain during the Term of the Contract such Automobile Liability Insurance as shall protect it against claims for damages resulting from bodily injury, including wrongful death and property damage, which may arise from the operations of any owned, hired or non-owned automobiles used by or for it in any capacity in connection with the performance of Services hereunder. The minimum acceptable limits of liability to be provided by such Automobile Liability Insurance shall be as follows:

Bodily Injury Limits and Property Damage - \$5,000,000 each occurrence/annual aggregate by the Company (or \$1,000,000 each occurrence/annual aggregate by each subcontractor).

(d) Excess Liability Insurance - \$10,000,000.

(e) Professional Liability Insurance in the case of any consulting engineering firm hired by the Company or any engineers, architects or other professionals to the extent the coverage is not provided by the comprehensive general liability insurance, in an amount not less than \$2,000,000.

The Company shall require each of its subcontractors to take out and maintain during the life of its subcontracts the same insurance coverage required of the Company under Section 6.14(a), (b) and (c), including the extensions of coverage required under Section 6.14(a)(ii) naming the City as additional insureds thereon unless the Company has determined that its insurance coverage is sufficient to cover the actions of the subcontractor. Each subcontractor shall furnish to the Company (2) copies of a certificate of insurance and such certificate shall contain the same information required hereinabove. The Company shall furnish one (1) copy of the certificate to the City.

All insurance policies shall have a maximum deductible of \$10,000 unless otherwise approved by the City.

If the Company derives insurance proceeds to cover any liabilities under this Contract, the Company shall have no claim against the City for such amounts provided that the City did not cause the events that result in the claim against the applicable insurance company.

If at any time the Company fails to maintain any of the foregoing policies, or if a company issuing any such policy shall become unsatisfactory to any of the City, the Company shall, upon notice to that effect from such party, promptly obtain a new policy, submit the same to the City for its approval and submit a certificate of insurance as described above. Failure of the Company to take out and/or maintain or the taking out and/or maintenance of any required insurance, shall not relieve the Company of any liability under the Contract.

The City shall maintain insurance on the City Systems during the Term of this Contract substantially similar in kind, scope and amount as that maintained by the Company as of the Commencement Date. If any damage occurs to the City Systems

during the Term of this Agreement that is an insured risk under the policies described in this Section 6.14, the Company agrees that its policies provide the primary coverage and should be used as the first basis of recovery. The Company, however, may request the City to file a claim under its insurance policy or policies for any amounts not covered under the policies maintained by the Company, and if insurance proceeds are paid to the City for such amounts, the City shall reimburse the Company but solely from such proceeds for the actual, documented cost it incurs to repair the damage to the City Systems in an amount not to exceed such insurance proceeds.