

**CHICAGO TRANSIT AUTHORITY
INSURANCE AND BOND REQUIREMENTS**
[FOR CONSTRUCTION RELATED CONTRACTS rev. 12/04/02]

REQUISITION NUMBER: _____
SPECIFICATION NUMBER CTA: _____

PART I. GENERAL INSTRUCTIONS AND REQUIREMENTS

A. WAYS TO COMPLY WITH CTA INSURANCE REQUIREMENTS.

1. HOW TO COMPLY IF CGL, OWNERS PROTECTIVE LIABILITY, BUILDER'S RISK INSURANCE AND/OR PROFESSIONAL LIABILITY ARE REQUIRED BY PART III OF THIS DOCUMENT.

There are three ways to satisfy the CTA's insurance requirements for Comprehensive General Liability, Owners Protective Liability, Builder's Risk and Professional Liability. For Comprehensive General Liability, Owners Protective Liability, Builder's Risk and Professional Liability the Contractor must provide the CTA with one of the following insurance documents:

- a) certified copy of the insurance policy,
- b) an insurance binder, *or*
- c) the CTA Certificate of Coverage on the CTA approved form. The CTA Certificate of Coverage may be completed only by an authorized representative of the insurance company, an agent, broker, or underwriter.

Methods b and c are temporary methods that are valid only for 90 days. Policies must be furnished prior to the expiration of this 90 day period. Failure to provide policies before expiration of this 90 day period is a material breach of the Contract which may result in default and, if uncured, termination for default.

2. HOW TO COMPLY IF *RAILROAD PROTECTIVE INSURANCE* IS REQUIRED BY PART III OF THIS DOCUMENT.

There are two ways to satisfy the CTA's insurance requirements for Railroad Protective. The Contractor must provide the CTA with one of the following insurance documents:

- a) certified copy of the insurance policy *or*
- b) an insurance binder

Method b is a temporary method that is valid only for 90 days. A certified copy of the insurance policy must be furnished prior to the expiration of this 90 day period.

3. HOW TO COMPLY FOR ALL OTHER TYPES OF REQUIRED INSURANCE.

For all other insurance required by Part III of this document, an ACORD™ certificate is acceptable.

B. DEADLINE FOR INITIAL SUBMITTAL OF CONTRACTOR'S INSURANCE AND BOND DOCUMENTS.

The Contractor must furnish all required insurance and performance and payment bond documents within fourteen days of the date that the Contractor receives a letter (the "Insurance Submittal Letter") from the CTA's General Manager of Purchasing requesting the Contractor to submit the documents required by these Insurance and Bond Requirements. CTA will not execute the Contract until the required insurance and bond documents are delivered to CTA and approved by CTA. Failure to deliver the required documents within fourteen days of receipt of the Insurance Submittal Letter is a material failure to comply with the specifications and may result in any or all of the following at the CTA's sole discretion:

1. forfeiture of bid bond or bid deposit and award of the Contract to the next lowest responsible/responsive bidder,
2. debarment or suspension, and
3. determination of Contractor non-responsibility.

In addition to the above, the time for completion of the contract shall be reduced by one day for each day after fourteen days following the receipt of the Insurance Submittal Letter that Contractor fails to provide the required documents.

C. CTA ADDRESS.

All notices and documents must be mailed to the CTA at:

Chicago Transit Authority
General Manager Purchasing
567 West Lake Street
P.O. Box 7560
Chicago, IL 60680-7560

D. OBLIGATION TO MAINTAIN CONTINUOUS COMPLIANCE

1. The Contractor expressly agrees that failure to comply and maintain compliance with all insurance and bond requirements shall constitute a material breach of the Contract which may result in default and, if uncured, termination for default under the contract. In addition, such failure, if uncured, may result in debarment and suspension.

2. The Contractor is prohibited from performing any work at the construction site if Contractor has allowed any of the required insurance policies to expire.

PART II. INSURANCE REQUIREMENTS

- A.** The CTA must be named as an Additional Insured and Certificate Holder. When the CTA is an additional insured, the coverage shall be primary.
- B.** The CTA must be the Named Insured on the Owners Protective Liability, Railroad Protective Liability, or Builders Risk Insurance policies.
- C.** The Commercial General Liability and Owners Protective Liability, General Aggregate Limit of Liability, if any, must apply on a per location, per project basis by endorsement to the policy.
- D.** All policies must provide that the insurer shall not cancel, terminate, reduce or materially change the insurance afforded by the policy unless 30 days written notice of such cancellation, termination, reduction or changes has been mailed to the CTA by certified mail. This language must be endorsed to all policies required by these Insurance Requirements.
- E.** All insurance carriers must be acceptable to the CTA. All insurance companies shall have at least a B+ VII POLICY HOLDER RATING, or better, by the A.M. Best Co., Inc. Insurance companies with lower ratings will not be accepted. Carriers licensed to do business in the State of Illinois must issue all insurance, with the exception of Railroad Protective.
- F.** All insurance shall specifically include, but not by way of limitation, all statutory or common law claims arising or alleging to arise, against the CTA under the Illinois Structural Work Act.
- G.** To the extent permitted by the Contractor's insurance policies required by the CTA, the Contractor and its insurers waive all rights of subrogation against the CTA.
- H.** When any required insurance expires, due to the attainment of a normal expiration date or renewal date, the Contractor shall supply the CTA with a Certificate of Insurance and an Insurance Policy which shall clearly evidence the continuation of coverage in the same manner, with the same limits of protection and scope of coverage as was provided by the previous policy. All renewal, replacement policies, binders, and certificates shall: (i) be in form and substance satisfactory to the CTA, (ii) be written by carriers acceptable to the CTA, and (iii) satisfy all these Insurance Requirements.
- I.** These Insurance Requirements set forth the CTA's minimum acceptable insurance requirements for this contract. If the Contractor desires additional coverages, or higher limits of liability than those set forth in these Insurance Requirements, the Contractor shall be responsible for the acquisition and cost of such additional protection. Such additional insurance coverages and/or higher limits shall also inure to the benefit of the CTA.
- J.** If the Contractor cannot have the CTA added as an additional insured with primary coverage to the Contractor's Commercial General Liability, Automobile and Umbrella

policy, then Contractor shall purchase the required coverage for the CTA under a separate policy, which must be primary/non-contributory.

- K. The insurance to be carried shall in no way be subject to limitations, if any, expressed in the indemnity section of the General Conditions (or any statutory, judicial or common law limitations).

PART III. INSURANCE COVERAGES

A. WORKERS COMPENSATION

Coverage A: Statutory: In form and in accordance with the laws of the State of Illinois.

Coverage B: Employers Liability:

_____ Bodily Injury by Accident

_____ Bodily Injury by Disease, Each Employee

_____ Bodily Injury by Disease, Policy Limit

B. COMPREHENSIVE OR COMMERCIAL GENERAL LIABILITY:

_____ General Aggregate (Per Location)

_____ Products/Completed Operations Aggregate

_____ Personal Injury and Advertising Injury

_____ Per Occurrence

The Commercial General Liability policy shall include, without limitation: (i) Broad Form Contractual Liability, (ii) Products/Completed Operations to be maintained in full force and effect for a period of two (2) years following final completion of the work under the Contract, (iii) Independent Contractors' Protective Liability, (iv) Premises/Operations, including deletion of explosion, collapse and underground (XCU) exclusions, (v) Broad Form Property Damage, including Products/Completed Operations, (vi) Personal Injury Liability, with employee and contractual exclusions deleted, (vii) Severability of Interest and Cross Liability endorsement and (viii) Contractor expressly agrees to waive, and will require its insurer to waive, its rights, benefits and entitlement under the "Other Insurance" clause of its Commercial General Liability policy, with respect to the CTA.

If any work is to be performed within fifty (50) feet of rail right-of-way and the Contractor is not required to provide Railroad Protective Insurance by the other provisions of these Insurance and Bond Requirements, then an additional requirement applies which can be satisfied in either of the two following ways: 1) the CGL policy exclusion for coverage of

work within fifty (50) feet of rail right-of-way must be deleted by endorsement to the CGL policy, or 2) in the alternative, railroad protective insurance may be provided.

C. AUTOMOBILE LIABILITY

_____ Combined Single Limit (Bodily Injury and Property Damage)
_____ Uninsured/Underinsured Motorist Including Owned, Non-Owned, Hired and Borrowed Vehicles and Equipment

D. UMBRELLA LIABILITY

_____ Each occurrence and in the aggregate, excess of the underlying policies.

The Umbrella Liability Policy shall specifically identify each of the policies described in A, B, and C above on the Schedule of Underlying Coverages, and shall provide coverage at least as broad as each of the underlying policies.

E. OWNERS PROTECTIVE LIABILITY

_____ General Aggregate (Per Location)
_____ Per Occurrence
_____ Combined Single Limit (Bodily Injury and Property Damage Per Location)

The definition of designated contractor must be amended to include contractors of every tier.

F. RAILROAD PROTECTIVE LIABILITY

_____ Bodily Injury per Occurrence
_____ Bodily Injury Aggregate
_____ Property Damage per Occurrence
_____ Property Damage Aggregate

The definition of designated contractor must be amended to include contractors of every tier.

G. BUILDERS RISK INSURANCE

Limits of Liability

Maximum Permissible Deductible

The "Completed Value Form" is required on 100% of contract value.

H. VALUABLE PAPERS INSURANCE

I. PROFESSIONAL LIABILITY

_____ Each Claim _____ Annual Aggregate _____ Deductible (Maximum Permissible Deductible)

J. OTHER INSURANCE: CTA HAS TO BE ADDITIONAL INSURED ON GENERAL LIABILITY

PART IV PERFORMANCE AND PAYMENT BOND REQUIREMENTS

A. The Contractor shall furnish separate Performance and Payment Bonds. Both bonds shall be submitted for approval by the Authority, shall be on American Institute of Architects (AIA) form A312, and shall be secured from a surety or sureties satisfactory to the Authority.

B. The Performance Bond shall be for faithful performance of the Contract.

C. The Payment Bond shall be for security for the payment of all persons for furnishing materials, provisions, or other supplies, or items used in, upon, for, or about the performance of the Work contracted to be done, or for performing any Work or labor thereon of any kind.

C. The Contractor shall promptly furnish additional security required to protect the Authority and persons supplying labor or material under this Contract if any surety upon any bond furnished with this Contract becomes unacceptable to the Authority.

PART V. PERFORMANCE AND PAYMENT BONDS REQUIRED FOR THIS CONTRACT.

Payment Bond: Amount of Contract

Performance Bond: Amount of Contract

Issue Date _____

INSURANCE CERTIFICATE OF COVERAGE

Named Insured: _____ Specification #: _____
 Address: _____ RFP #: _____
 (NUMBER & STREET) Project #: _____
 (CITY) (STATE) (ZIP) Contract #: _____

Description of Operation/Location	
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The insurance policies and endorsements indicated below have been issued to the designated named insured with the policy limits as set forth herein covering the operation described within the contract involving the named insured and the Chicago Transit Authority. The Certificate issuer agrees that in the event of cancellation, non-renewal or material change involving the indicated policies, the issuer will provide at least sixty (60) days prior written notice of such change to the Chicago Transit Authority at the address shown on this Certificate. This certificate is issued to the Chicago Transit Authority in consideration of the contract entered into with the named insured, and it is mutually understood that the Chicago Transit Authority relies on this certificate as a basis for continuing such agreement with the named insured.

Type of insurance	Insurer Name	Policy Number	Expiration Date	Limits of Liability All Limits in Thousands
<u>Commercial General Liability</u> ~ Occurrence~ Claims made ~ Premise-Operations ~ Explosion/Collapse Underground ~ Products/Completed Operations ~ Blanket Contractual ~ Broad Form Property Damage ~ Independent Contractors ~ Personal Injury ~ Pollution				Each Occurrence \$ _____ General Aggregate \$ _____ Products/Completed Operations Aggregate \$ _____
Automobile Liability (Any Auto)				Each Occurrence \$ _____
<u>Excess Liability</u> ~ Umbrella Liability				Each Occurrence \$ _____
Workers' Compensation and Employer's Liability				Statutory/Illinois Employers Liability \$ _____
Builders' Risk/Course of Construction				Amount of Contract
Professional Liability				\$ _____
Owner Contractors Protective				\$ _____
Other				

- a) Each insurance policy required by this agreement, except policies for workers' compensation and professional liability, will read:
"The Chicago Transit Authority is an additional insured as respects to operations and activities of, or on behalf of the named insured, performed under contract with or permit from the Chicago Transit Authority".
- b) The General, Automobile and Excess/Umbrella Liability Policies described provide for separation of insureds applicable to the named insured and the CTA.
- c) Workers Compensation and Property insurer shall waive all rights of subrogation against the Chicago Transit Authority.
- d) The receipt of this certificate by the CTA does not constitute agreement by the CTA that the insurance requirements in the contract have been fully met, or that the insurance companies indicated by this certificate are in compliance with all contract requirements.

Name and Address of Certificate Holder and Receipt of Notice	Signature of _____
Certificate Holder/Additional Insured	<u>Authorized Rep.</u> _____
Chicago Transit Authority Dept. of Purchasing P.O. Box 7560 Chicago, IL 60680-7560	<u>Agency/Company</u> _____
	<u>Address</u> _____
	<u>Telephone</u> _____

