



## **SANTA CLARITA VALLEY WATER AGENCY (SCV WATER)**

STANDARD CONTRACT RISK TRANSFER PROVISIONS,  
GENERAL CONDITIONS, REQUIRED INSURANCE  
and CALIFORNIA LABOR CODE REQUIREMENTS  
for

### **MAINTENANCE/SMALL CONSTRUCTION CONTRACTS**

**Typical SCV Water services that would use these contracts:** Welding, electrical, roofing, plumbing, fencing, concrete services, landscaping, painting, heating & air conditioning, and janitorial services.

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#### **1. RISK TRANSFER PROVISIONS**

- 1.1. **Workers' Compensation Insurance** - By his/her signature hereunder, Contractor certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing the performance of the work of this Agreement.
- 1.2. **Indemnification** - To the fullest extent permitted by law, Contractor will immediately defend, indemnify and hold harmless SCV Water, its directors, officers, employees, or authorized volunteers, and each of them (collectively the "Agency") from and against:
  - 1.2.1. All claims, demands, liabilities and losses arising out of the performance (or actual or alleged non-performance) of the services by Contractor, including its agents and employees, under this Agreement, for damages to persons or property arising, pertaining to or relating to the Contractor's negligent acts or omissions or willful misconduct or the failure of Contractor to comply with any professional standard of care applicable to Contractor's services.
    - 1.2.1.1. As used here, "hazardous materials" includes but is not limited to: any hazardous or toxic substance, material or waste which is or becomes subject to regulations as such by any agency of the state, any municipality or political subdivision of the state of the United States; or any material or substance that is any of the following:
      - a. A hazardous substance, as defined in Section 25316 of the California Health and Safety Code.
      - b. Hazardous material, as defined in subdivisions (j) of Section 25501 of the California Safety Code.

- c. Acutely hazardous material, as defined in subdivision (a) of the California Section 25532 of the Health and Safety Code.
  - d. Hazardous waste, as defined in Section 25117 of the California Health and Safety Code.
  - e. Extremely hazardous waste, as defined in Section 25115 of the California Health and Safety Code.
  - f. Petroleum.
  - g. Asbestos.
  - h. Designated as a hazardous substance for purposes of Section 311 of the Federal Water Pollution Control Act, as amended (33 U.S.C. Sec. 1321).
  - i. Hazardous waste, as defined by subsection (5) of Section 1004 of the federal Resource Conservation and Recovery Act of 1976, as amended (42 U.S.C. Sec. 6903).
  - j. A hazardous substance, as defined by subsection (14) of Section 101 of the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sec. 9601).
  - k. A regulated substance, as defined by subsection (2) of Section 9001 of the federal Solid Waste Disposal Act, as amended (42 U.S.C. Sec. 6991).
- 1.2.2. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the intentional or negligent violation of any governmental law or regulation, compliance with which is the responsibility of Contractor.
- 1.2.3. Any and all losses, expenses, damages (including damages to the work itself), attorneys' fees, and other costs, including all costs of defense, including but not only costs of counsel acceptable to SCV Water, which any of them may incur with respect to the failure, neglect, or refusal of Contractor to perform the work and all of the Contractor's obligations under the Agreement. Such costs, expenses, and damages shall include all costs, including attorneys' fees, incurred by the indemnified parties in any lawsuit to which they are a party.
- 1.2.4. Contractor shall immediately defend upon SCV Water's tender, at Contractor's own cost, expense and risk, any and all such aforesaid suits, actions or other legal proceedings of every kind that may be brought or instituted against SCV Water or its directors, officers, employees, authorized volunteers, and/or representatives, notwithstanding whether Contractor's liability can be established or not. Contractor shall further defend itself against any and all liabilities, claims, losses, damages, and costs arising out of or alleged to arise out of performance

or non-performance of the work hereunder, and shall not tender such claims to SCV Water nor to its directors, officers, employees, or authorized volunteers, for defense or indemnity.

- 1.2.5. Contractor's obligation to defend and indemnify shall survive the termination or completion of this Agreement for the full period of time allowed by law and shall not be restricted by the insurance requirements of this Agreement or to insurance proceeds, if any received by SCV Water, or its directors, officers, employees, or authorized volunteers.
- 1.2.6. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against SCV Water or its directors, officers, employees, or authorized volunteers, in any and all such aforesaid suits, actions, or other legal proceedings if arising as provided in the previous subsections of this Section.
- 1.2.7. Contractor shall reimburse SCV Water or its directors, officers, employees, or authorized volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith.
- 1.2.8. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by SCV Water or its directors, officers, employees, or authorized volunteers.

Notwithstanding the foregoing obligations, Contractor shall not at any time be responsible for any claims, liabilities or demands to the extent that they arise from the negligence or willful misconduct of SCV Water, provided, however, that contributory negligence will not relieve Contractor of its obligation to defend unless the claims, liabilities or demand are the result of the sole negligence or willful misconduct of SCV Water.

## 2. GENERAL CONDITIONS

- 2.1. **Laws, Regulations and Permits** - The Contractor shall give all notices required by law and comply with all laws, ordinances, rules, and regulations pertaining to the conduct of the work. The Contractor shall be liable for all violations of the law in connection with work furnished by the Contractor. If the Contractor performs any work knowing it to be contrary to such laws, ordinances, rules and regulations, the Contractor shall bear all costs arising therefrom.
  - 2.1.1. If the Contractor observes that the drawings or specifications are at variance with any law or ordinance, rule or regulation, he/she shall promptly notify the SCV Water engineer in writing and any necessary changes shall be made by written instruction or change order
- 2.2. **Safety** - The Contractor shall execute and maintain his/her work so as to avoid injury or damage to any person or property.

In carrying out his/her work, the Contractor shall at all times exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed, and be in compliance with all applicable federal, state and local statutory and regulatory requirements including

State of California, Department of Industrial Relations (Cal/OSHA) regulations, and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act. Safety precautions, as applicable, shall include but shall not be limited to: adequate life protection and life-saving equipment; adequate illumination; instructions in accident prevention for all employees, such as the use of machinery guards, safe walkways, scaffolds, ladders, bridges, gang planks, confined space procedures, trenching and shoring, fall protection, and other safety devices; equipment and wearing apparel as are necessary or lawfully required to prevent accidents, injuries, or illnesses; and adequate facilities for the proper inspection and maintenance of all safety measures.

- 2.2.1. The Contractor shall be responsible for the safeguarding of all utilities. At least two working days before beginning work, the Contractor shall call the Underground Service Alert (USA) in order to determine the location of sub-structures. The Contractor shall immediately notify SCV Water and the utility owner if he/she disturbs, disconnects, or damages any utility.
- 2.2.2. In accordance with Section 6705 of the California Labor Code, the Contractor shall submit to SCV Water specific plans to show details of provisions for worker protection from caving ground during excavations of trenches of five feet or more in depth. The excavation/trench safety plan shall be submitted to and accepted by SCV Water prior to starting excavation. The trench safety plan shall have details showing the design of shoring, bracing, sloping or other provisions to be made for worker protection from the hazard of caving ground. If such a plan varies from the shoring system standards established by the Construction Safety Orders of the California Department of Industrial Relations (Cal/OSHA), the plan shall be prepared by a California registered civil or structural engineer. As part of the plan, a note shall be included stating that the registered civil or structural engineer certifies that the plan complies with the Cal/OSHA Construction Safety Orders, or that the registered civil or structural engineer certifies that the plan is not less effective than the shoring, bracing, sloping or other provisions of the Safety Orders. In no event shall the Contractor use a shoring, sloping, or protective system less effective than that required by said Construction Safety Orders. Submission of this plan in no way relieves the Contractor of the requirement to maintain safety in all areas. If excavations or trench work requiring a Cal/OSHA permit are to be undertaken, the Contractor shall submit his/her permit with the excavation/trench work safety plan to SCV Water before work begins.
- 2.2.3. The names and telephone numbers of at least two medical doctors practicing in the vicinity and the telephone number of the local ambulance service shall be prominently displayed adjacent to telephones.

### 3. REQUIRED INSURANCE

- 3.1. **Liability Insurance** - The Contractor shall provide and maintain at all times during the performance of the work under this Agreement, the following commercial general liability, professional liability and automobile liability insurance:
- 3.2. **Coverage** - Coverage shall be at least as broad as the following:

- 3.2.1. Coverage for Professional Liability appropriate to the Contractor's profession covering Contractor's wrongful acts, negligent actions, errors or omissions. The retroactive date (if any) is to be no later than the effective date of this Agreement.
  - 3.2.2. Insurance Services Office (ISO) Commercial General Liability Coverage (Occurrence Form CG 0001).
  - 3.2.3. Insurance Services Office (ISO) Business Auto Coverage (Form CA 0001), covering Symbol 1 (non-owned and hired automobiles).
  - 3.2.4. Coverage for Environmental Impairment Liability appropriate for the hazardous material/waste activity contemplated in the Agreement. The retroactive date (if any) is to be no later than the effective date of this Agreement.
- 3.3. **Limits** - The Contractor shall maintain limits no less than the following:
- 3.3.1. General Liability – Two million dollars (\$2,000,000) per occurrence or the full per occurrence limits of the policies available, whichever is greater for bodily injury, personal injury and property damage and products & completed operations liability. If Commercial General Liability Insurance or other form with a general aggregate limit or products-completed operations aggregate limit is used, either the general aggregate limit shall apply separately to the project/location (with the ISO CG 2503, or ISO CG 2504, or insurer's equivalent endorsement provided to the SCV Water) or the general aggregate limit and products-completed operations aggregate limit shall be twice the required occurrence limit.
  - 3.3.2. Automobile Liability – One million dollars (\$1,000,000) for bodily injury and property damage each accident limit.
  - 3.3.3. Excess Liability – The limits of Insurance required in this agreement may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of the Agency (if agreed to in a written contract or agreement) before the Agency's own primary or self-Insurance shall be called upon to protect it as a named insured.
  - 3.3.4. Environmental Impairment Liability – One million dollars (\$1,000,000) per claim and two million dollars (\$2,000,000) annual aggregate.
- 3.4. **Required Provisions** - The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:
- 3.4.1. SCV Water, its directors, officers, employees, and authorized volunteers are to be given insured status at least as broad as ISO endorsement CG 20 10 11 85; or both CG 20 10 and CG 20 37 04 13 (or the 20 10 04 13 (or earlier edition date) specifically naming all of the Agency parties required in this agreement, or using language that states "as required by contract"). All Subcontractors hired by Contractor must also have the same forms or coverage at least as broad; as respects: liability arising out of activities performed by or on behalf of the Contractor; products and completed operations of the Contractor; premises

owned, occupied or used by the Contractor; and automobiles owned, leased, hired or borrowed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to SCV Water, its directors, officers, employees, or authorized volunteers.

- 3.4.2. For any claims related to this project, the Contractor's insurance shall be primary insurance as respects SCV Water, its directors, officers, employees, or authorized volunteers using the ISO CG 20 01 04 13 or coverage at least as broad. Any insurance, self-insurance, or other coverage maintained by SCV Water, its directors, officers, employees, or authorized volunteers shall not contribute to it.
- 3.4.3. Any failure to comply with the reporting or other provisions of the policies including breaches and warranties shall not affect coverage provided to SCV Water, its directors, officers, employees, or authorized volunteers.
- 3.4.4. 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.
- 3.4.5. Such liability insurance shall indemnify the Contractor and his/her Sub-contractors against loss from liability imposed by law upon, or assumed under contract by, the Contractor or his/her Sub-contractors for damages on account of such bodily injury (including death), property damage, personal injury, completed operations, and products liability.
- 3.4.6. The general liability policy shall cover bodily injury and property damage liability, owned and non-owned equipment, blanket contractual liability, completed operations liability, explosion, collapse, underground excavation and removal of lateral support.
- 3.4.7. The automobile liability policy shall cover all owned, non-owned, and hired automobiles.
  - 3.4.7.1. The automobile liability policy is to contain, or be endorsed to contain the following provisions:
    - a. Pollution Liability – Broadened Coverage for Covered Autos using ISO Form CA 9948, or insurer's equivalent.
    - b. Endorsement for Motor Carrier Policies of Insurance for Public Liability Under Sections 29 and 30 of the Motor Carrier Act of 1980 – Form MCS 90.
- 3.4.8. Each insurance policy required by this Agreement shall state, or be endorsed to state, that coverage shall not be canceled by the insurance carrier or the Contractor, except after thirty (30) days (10 days for non-payment of premium) prior written notice by U.S. mail has been given to SCV Water.
- 3.4.9. All of the insurance shall be provided on policy forms and through companies satisfactory to SCV Water.

- 3.5. **Workers' Compensation and Employer's Liability Insurance** - The Contractor and all Sub-contractors shall cover or insure under the applicable laws relating to workers' compensation insurance, all of their employees employed directly by them or through Sub-contractors in carrying out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act", Division IV of the Labor Code of the State of California and any Acts amendatory thereof. The Contractor shall provide employer's liability insurance with limits of no less than \$1,000,000 each accident, \$1,000,000 disease policy limit, and \$1,000,000 disease each employee.
- 3.6. **Deductibles and Self-Insured Retentions** - Any deductible or self-insured retention must be declared to and approved by SCV Water. At the option of SCV Water, the insurer shall either reduce or eliminate such deductibles or self-insured retentions. Policies containing any self-insured retention (SIR) provision shall provide or be endorsed to provide that the SIR may be satisfied by either the named or additional insureds, co-insurers, and/or insureds other than the First Named Insured.
- 3.7. **Acceptability of Insurers** - Insurance is to be placed with insurers having a current A.M. Best rating of no less than A-:VII or equivalent or as otherwise approved by SCV Water.
- 3.8. **Evidences of Insurance** - Prior to execution of the Agreement, the Contractor shall file with SCV Water a certificate of insurance (Acord Form 25 or equivalent) signed by the insurer's representative evidencing the coverage required by this Agreement. Such evidence shall include (1) attached additional insured endorsements with primary & non-contributory wording, (2) Workers' Compensation waiver of subrogation, and (3) a copy of the CGL declarations or endorsement page listing all policy endorsements, and confirmation that coverage includes or has been modified to include Required Provisions 6.4.1 through 6.4.9. The Agency reserves the right to obtain complete, certified copies of all required insurance policies, at any time. Contractor shall maintain the Insurance required by this Agreement for a period of not less than 10 years following the termination of completion of this agreement. Contractor further waives all rights of subrogation under this agreement. Failure to continually satisfy the Insurance requirements is a material breach of contract.

The Contractor shall, upon demand of SCV Water, deliver to SCV Water such policy or policies of insurance and the receipts for payment of premiums thereon.

- 3.9. **Continuation of Coverage** - If any of the required coverages expire during the term of this Agreement, the Contractor shall deliver the renewal certificate(s) including the general liability additional insured endorsement to SCV Water at least ten (10) days prior to the expiration date. Failure to comply with any of the Insurance requirements shall constitute material breach of contract. The insurance requirements in this Agreement do not in any way represent or imply that such coverage is sufficient to adequately cover the Contractor's obligations under this agreement. All insurance or self-insurance coverage and limits applicable to a given loss or available to the named insured shall be available and applicable to the additional insured. The insurance obligations under this Agreement are independent of and in addition to the defense and indemnity obligations contained elsewhere in this Agreement and shall not in any way act to limit or restrict the defense or indemnity or additional insure obligations of the Contractor or the Contractor's insurance carrier, and shall be for (1)

the full extent of the insurance or self-insurance coverages and limits carried by or available to the Contractor, or (2) the minimum insurance coverage and amounts shown in this Agreement; whichever is greater. Agency reserves the right to add such other parties as may be required in the future to the indemnity and additional insured requirements of this Agreement.

- 3.10. **Sub-Contractors** - In the event that the Contractor employs other contractors (“Sub-contractors”) as part of the services covered by this Agreement, it shall be the Contractor’s responsibility to require and confirm that each sub-contractor meets the minimum insurance requirements specified above.
- 3.11. **Responsibility for Work** – Until the completion and final acceptance by SCV Water of all the work under and implied by this agreement, the work shall be under the Contractor’s responsible care and charge. The Contractor shall rebuild, repair, restore and make good all injuries, damages, re-erections, and repairs occasioned or rendered necessary by causes of any nature whatsoever.

The Contractor shall provide and maintain builder’s risk insurance (or installation floater) covering all risks of direct physical loss, damage or destruction to the work in the amount specified in the General Conditions, to insure against such losses until final acceptance of the work by SCV Water. Such insurance shall insure at least against the perils of fire and extended coverage, theft, vandalism and malicious mischief, and collapse. SCV Water, its directors, officers, employees, and authorized volunteers shall be named insureds on any such policy. The making of progress payments to the Contractor shall not be construed as creating an insurable interest by or for SCV Water or be construed as relieving the Contractor or his/her subcontractors of responsibility for loss from any direct physical loss, damage or destruction occurring prior to final acceptance of the work by SCV Water.

The Contractor shall waive all rights of subrogation against SCV Water, its directors, officers, employees, or authorized volunteers.

#### 4. CALIFORNIA LABOR CODE REQUIREMENTS

- 4.1. Contractor is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain “public works” and “maintenance” projects. If the services are being performed as part of an applicable “public works” or “maintenance” project, as defined by the Prevailing Wage Laws, and if the total compensation is \$1,000 or more, Contractor agrees to fully comply with such Prevailing Wage Laws, if applicable. Contractor shall defend, indemnify and hold the Agency, its elected officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Contractor and all Sub-contractors to comply with all California Labor Code provisions, which include but are not limited to prevailing wages, employment of apprentices, hours of labor and debarment of contractors and subcontractors.
- 4.2. Effective March 1, 2015, if the services are being performed as part of an applicable “public works” or “maintenance” project, in addition to the foregoing, then pursuant to Labor Code sections 1725.5 and 1771.1, the Contractor and all Sub-contractors



must be registered with the Department of Industrial Relations (“DIR”). Contractor shall maintain registration for the duration of the project and require the same of any Sub-contractors. This project may also be subject to compliance monitoring and enforcement by the DIR. It shall be Contractor’s sole responsibility to comply with all applicable registration and labor compliance requirements, including the submission of payroll records directly to the DIR.