



TOWN OF PRESCOTT VALLEY, ARIZONA

CIP #ST2606– Valley Road Bank Stabilization Project

proceedings), relating to, arising out of, or alleged to have resulted from the acts, errors, mistakes, omissions, work or services of the CONSULTANT, its agents, employees or any tier of the CONSULTANT's subcontractors in the performance of this Agreement. The CONSULTANT's duty to defend, hold harmless and indemnify the TOWN, its agents, officers, officials and employees shall arise in connection with any claim, damage, loss or expense that is attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom caused by the CONSULTANT's acts, errors, mistakes, omissions, work or services in the performance of this Agreement including any employee of the CONSULTANT, any tier of the CONSULTANT's subcontractors or any other person for whose services the CONSULTANT may be legally liable. Such indemnity does not extend to the TOWN's negligence. .

ARTICLE 9. PRESCOTT VALLEY BUSINESS LICENSE

The CONSULTANT and any Subconsultants may be required to acquire and maintain a Prescott Valley Business License for the duration of the PROJECT in accordance with TOWN Code Article 8-02, as determined by the TOWN Clerk.

ARTICLE 10. INSURANCE REQUIREMENTS

Without limiting any of their liabilities or obligations hereunder, the CONSULTANT, at its own expense and prior to commencing with Services, shall secure and maintain the herein stipulated minimum insurance with companies duly licensed or otherwise approved by the State of Arizona, possessing a current A.M. Best Company, Inc. rating of not less than A-, with policies and forms satisfactory to the TOWN.

A. General Clauses

Additional Insured: The insurance coverage, except Workers' Compensation and in some cases Professional Liability, required by this contract, shall name the TOWN, its agents, representatives, directors, officials, employees, and officers, as additional insureds, and shall specify that insurance coverage carried by the TOWN or its employees shall be excess coverage, and not contributory coverage to that provided by the CONSULTANT.

Coverage Term: All insurance required herein shall be maintained in full force and effect until Services required to be performed under the terms of the Agreement are satisfactorily completed and formally accepted; failure to do so may constitute a material breach of this Agreement, at the sole discretion of the TOWN. In the event any insurance policy(ies) required by this contract is(are) written on a "claims made" basis, coverage shall extend for two(2) years past completion and acceptance of the CONSULTANT's work or services, as evidenced by annual Certificates of Insurance.

Primary Coverage: The CONSULTANT's insurance shall be primary insurance as respects TOWN and any insurance maintained by TOWN shall be excess of the CONSULTANT's insurance and shall not contribute to it.

Claim Reporting: Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect the TOWN.

Waiver: The policies, except Workers' Compensation and Professional Liability, shall contain a waiver of transfer rights of recovery (subrogation) against the TOWN, its agents, representatives, directors, officers, and employees for any claims arising out of the work of the CONSULTANT.

Deductible/Retention: The policies may provide coverage which contains deductibles or self-insured retentions. Such deductibles and/or self-insured retentions shall not be applicable with respect to the coverage provided to the TOWN under such policies. The CONSULTANT shall be solely responsible for deductible and/or self-insured retentions and



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the TOWN, at its option, may require the CONSULTANT to secure the payment of such deductible or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

Certificates of Insurance: Prior to commencing with services under this Agreement, CONSULTANT shall furnish TOWN with Certificates of Insurance and Endorsements as required by the Agreement, issued by CONSULTANT's insurer(s), as evidence that policies providing the required coverages, conditions, and limits required by this Agreement are in full force and effect. Such certificates shall identify this Agreement by date, project name, and CIP number and shall provide for not less than thirty (30) days per certificate, advance Notice of Cancellation, Termination, or Material Alteration. Such certificates shall be sent directly to:

Town of Prescott Valley
Project Manager
7501 E. Skoog Blvd.
Prescott Valley, AZ 86314

If a policy expires during the life of the contract, a renewal certificate must be sent to the TOWN fifteen (15) days prior to the expiration date.

The TOWN shall not be obligated, to review or to advise CONSULTANT of any deficiencies in such policies and endorsements, and such receipt shall not relieve CONSULTANT from, or be deemed a waiver of, the TOWN's right to insist on strict fulfillment of CONSULTANT's obligations under this Agreement.

Cancellation and Expiration: Insurance required herein shall not expire, be canceled, or materially changed without fifteen (15) days prior written notice to the TOWN.

The CONSULTANT hereby agrees to indemnify and save harmless the TOWN and any jurisdiction or agency issuing permits for any work included in the project, their officers, employees, agents and representatives from all suits, actions, losses, damages, expenses, costs or claims of any character or any nature brought on account of any injuries or damages sustained by any person(s) or property arising out of the work done in fulfillment of the construction or the improvement under the terms of these Contract Documents, or on account of any act or omission by the CONSULTANT or his/her agents, or from any claims or amounts arising or recovered under Worker's Compensation laws, or any other law, by-law, ordinance, order or decree.

B. WORKERS' COMPENSATION

The CONSULTANT shall carry Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of the CONSULTANT's employees engaged in the performance of the Services, and Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease for each employee, and \$1,000,000 disease policy limit.

In case any of the Services are subcontracted, the CONSULTANT will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of the CONSULTANT.

C. AUTOMOBILE LIABILITY

The CONSULTANT shall carry Commercial/ Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence and \$2,000,000 aggregate including bodily injury and property damage with respect to any of the CONSULTANT's owned, hired, and non-owned vehicles assigned to or used in performance of the Services. Coverage will be at least as broad as coverage Code 1, "any auto," (Insurance Service Office, Inc. policy form CA 0001 1/87, or any replacements thereof). Such insurance shall



TOWN OF PRESCOTT VALLEY, ARIZONA

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include coverage for loading and off-loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000 per accident limits for bodily injury and property damage shall apply.

D. PROFESSIONAL LIABILITY

Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the Services performed by the CONSULTANT, or any person employed by the CONSULTANT, with an unimpaired limit of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate, or 10% of the construction budget, whichever is larger.

ARTICLE 11. SUSPENSION OF SERVICES

The TOWN may, by written notice, direct the CONSULTANT to suspend performance of any or all of the Services for a specified period of time. If such suspension is not occasioned by the fault or negligence of the CONSULTANT, this Agreement may be mutually modified to compensate CONSULTANT for extra costs incurred due to the suspension, provided that any claim for adjustment is supported by appropriate cost documentation and asserted within twenty (20) calendar days after the date the TOWN issues an order for resumption of the Services. Upon receipt of notice to suspend Services, the CONSULTANT shall a) discontinue Services, b) place no further orders or subcontracts, c) suspend all orders and subcontracts, d) protect and maintain the Services, and e) otherwise mitigate the TOWN's costs and liabilities for that portion of the Services which have been suspended.

ARTICLE 12. TERMINATION

The TOWN, at its sole discretion, may terminate this Agreement at any time without cause prior to its Term by sending to the CONSULTANT written notice dated fifteen (15) calendar days prior to the termination date. Upon such termination, the TOWN shall pay to the CONSULTANT full compensation for all Services satisfactorily performed by the CONSULTANT as of the termination date, excluding damages or anticipated profits for Services not yet performed.

The CONSULTANT may terminate this Agreement at any time without cause prior to its term by sending to the TOWN written notice dated thirty (30) calendar days prior to the termination date. Upon such termination, the TOWN shall pay to the CONSULTANT full compensation for all Services satisfactorily performed by the CONSULTANT as of the termination date, excluding damages or anticipated profits for Services not yet performed.

ARTICLE 13. EXAMINATION OF SERVICES

All of the Services will be subject to examination at any reasonable time or times by appropriate TOWN staff, who shall also have the right to reject unsatisfactory Services in part or in whole. Neither examination of Services nor the lack of same, nor acceptance of Services by TOWN staff or payment therefore shall relieve the CONSULTANT from any of its obligations under this Agreement.

ARTICLE 14. PROGRESS

The CONSULTANT shall submit monthly written progress reports to assist TOWN staff in determining whether the time requirements in Article 2 hereinabove are being substantially met. Authorized staff may visit the CONSULTANT's office at any reasonable time to determine the status of the Services required by this Agreement. In addition, any person may inspect the public records generated by the CONSULTANT's activities hereunder upon reasonable request, during normal business hours, in accordance with ARS §9-471(B).