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|                                               | <b>CITY OF TRAVERSE CITY</b><br><b>ADMINISTRATIVE ORDER</b><br>TITLE:<br><b>Insurance Guidelines for</b><br><b>Contracts and Service Orders</b> | <b>POLICY NO: 16-AO</b>                                                                                    |
|                                                                                                                                |                                                                                                                                                 | SUBMITTED BY: P. Hill/B. Marentette                                                                        |
|                                                                                                                                | APPROVED BY:<br><i>Martin Colburn</i>                                                                                                           |                                                                                                            |
| Adopted Date: 08-09-2017<br>Effective Date: 08-09-2017<br>Supersedes No: 355 dated Feb 15, 2008<br>Procedure Reference No: N/A |                                                                                                                                                 | HISTORY:<br>Initial Adoption Date: Feb 15, 2008<br>Amended Date: October 2010<br>Amended Date: August 2017 |

I hereby certify that this Administrative Order was authorized by the City Manager for the City of Traverse City, Governmental Center, 400 Boardman Avenue, Traverse City Michigan.

  
 Martin Colburn, City Manager

Aug. 9, 2017  
 Date

- I. Purpose:  
The purpose of this Administrative Order is to comply with Section 39 of the Charter for the City of Traverse City by establishing regulations, duties and procedures to be followed in each department of the City.
- II. Additional Authority
  - City Charter Section 39
- III. Scope/Applies to  
All Departments
- IV. Responsibility  
Department Directors, Employees who prepare Contracts/Service Orders
- V. Statement
  1. Insurance amounts as shown on the attached chart titled "Insurance Guidelines for Contracts and Service Orders" shall generally be required for the contracts and services indicated (or similar services not indicated). Where possible, such amounts shall be indicated in bid invitations and requests for proposals. For services not outlined in the insurance guidelines chart, or in cases where additional analysis should be done to determine the appropriate type of insurance coverage and minimum amount, contact the City Clerk for a determination.
  2. Proof of insurance in the form of a certificate of insurance must be submitted to the City Clerk or Purchasing Agent prior to services being rendered.
  3. Waivers of subrogation clauses are prohibited in any contract.
  4. Hold Harmless by the City clauses are generally prohibited; exceptions must be approved by the City Attorney.

# Insurance Guidelines for Contracts and Service Orders

Date: October 2010

|                                                                                 | Little Risk                                                                                                                                                                                                                                   | Low Risk                                                                                                                                                                                                                                                                                                                                                    | Moderate Risk                                                                                                                                                                                                                                                                                                                                                                                         | High Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                 | <ul style="list-style-type: none"> <li>Work performed on contractor/vendor's premises or on City property</li> </ul>                                                                                                                          | <ul style="list-style-type: none"> <li>-Accidents are highly improbable</li> <li>-If accident occurs, only minor injuries or property damage could result</li> <li>-Work is performed no more than 6 feet off the ground—no construction is involved</li> </ul>                                                                                             | <ul style="list-style-type: none"> <li>-Low to moderate chance of accident</li> <li>-If accident occurs, moderate injuries or property damage could result</li> </ul>                                                                                                                                                                                                                                 | <ul style="list-style-type: none"> <li>-Moderate to high chance of accident</li> <li>-If accident occurs, injuries and property damage could be severe</li> </ul>                                                                                                                                                                                                                                                                                                                                                                         |
|                                                                                 | <ul style="list-style-type: none"> <li>-minor repairs</li> <li>-maintenance (except janitorial)</li> <li>-publishing/printing</li> <li>-delivery without set-up</li> <li>-consultants</li> <li>-health services</li> <li>-training</li> </ul> | <ul style="list-style-type: none"> <li>-consultants (excluding arch. &amp; eng. services where decisions may be based on services)</li> <li>-plumbers with no digging</li> <li>-service/repair contractors</li> <li>-delivery (salt, sand, etc.)</li> <li>-delivery with set-up</li> <li>-diving</li> <li>-repair of non-emergency city vehicles</li> </ul> | <ul style="list-style-type: none"> <li>-bricklayers</li> <li>-building maint. (not janitorial)</li> <li>-cement contractors</li> <li>-irrigation installers/landscapers</li> <li>-land grading</li> <li>-roofers</li> <li>-plumbing with minor digging</li> <li>-electricians</li> <li>-delivery (chemicals/fuel)</li> <li>-tour bus (\$2,000,000 vehicle ins)</li> <li>-weed/pest control</li> </ul> | <ul style="list-style-type: none"> <li>-major building construction/renovation</li> <li>-erection/welding projects</li> <li>-heavy construction, excavation, infrastructure, underground contractors, electricians, plumbing with major digging</li> <li>-janitorial services</li> <li>-road/pothole repair contractors</li> <li>-architects (may be moderate, depending on scope)</li> <li>-engineers</li> <li>-boiler/HVAC repair</li> <li>-chemicals (grounds maint/janitorial)</li> <li>-repair of emergency city vehicles</li> </ul> |
| Commercial general liability                                                    | Determined by CM                                                                                                                                                                                                                              | \$1,000,000 per occurrence                                                                                                                                                                                                                                                                                                                                  | \$1,000,000 per occurrence                                                                                                                                                                                                                                                                                                                                                                            | \$2,000,000 per occurrence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Professional liability (architects, engineers, consultants, etc.) as applicable | Determined by CM                                                                                                                                                                                                                              | Provide proof of insurance                                                                                                                                                                                                                                                                                                                                  | \$1,000,000 per occ. <sup>2</sup> (or claims made w/ 3 yr report period for certain services)                                                                                                                                                                                                                                                                                                         | \$1,000,000 per occurrence <sup>2</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Workers Compensation <sup>1</sup>                                               | If on City property                                                                                                                                                                                                                           | As required by state law                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Automobile liability                                                            | If on City property                                                                                                                                                                                                                           | Transport people or City-owned goods: \$1,000,000 (\$2,000,000 for tour bus) with City as additional insured; otherwise provide proof of ins.                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Garage Keepers Liability (vendor's property)                                    | Determined by CM                                                                                                                                                                                                                              | \$500,000                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                       | \$1,000,000                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Owner's protective liability (const. contracts)                                 |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                             | \$1,000,000 per occurrence                                                                                                                                                                                                                                                                                                                                                                            | \$2,000,000 per occurrence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| All risk builder's insurance (const. contracts)                                 |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                       | In the amount of the contract                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Excess liability                                                                |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                       | As needed for large projects                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Environmental/Pollution Liability                                               |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Underground explosion/ collapse                                                 |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| City as additional insured (comm gen liab)                                      |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                 |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                             | \$1,000,000 per occ. - City add. ins. (or claims made w/ 3yr report period for certain services)                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                 |                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                             | \$1,000,000 per occurrence                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|                                                                                 |                                                                                                                                                                                                                                               | Yes, if work done on City property                                                                                                                                                                                                                                                                                                                          | Yes, if no Owner's Protective                                                                                                                                                                                                                                                                                                                                                                         | Yes, if no Owner's Protective                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Min. 10 days notice for modification/cancel                                     | Yes, if ins. required                                                                                                                                                                                                                         | Yes                                                                                                                                                                                                                                                                                                                                                         | Yes                                                                                                                                                                                                                                                                                                                                                                                                   | Yes                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

<sup>1</sup>A sole proprietor not required to have worker's comp insurance shall execute a sole proprietor waiver.<sup>2</sup> City need not be added as additional insured.