

## INSURANCE GUIDANCE FOR BIDDERS/OFFERORS

### Purpose

To provide general insurance guidelines to potential bidders/offerors regarding procurements for Chesterfield County and Chesterfield County Public Schools.

### Scope

This document applies to all procurements for Chesterfield County and Chesterfield County Public Schools designated as higher risk or moderate risk.

### Definitions

Procurements: Leases, licenses, permits and contracts for goods, services, and construction.

Certificate of Insurance (COI): A form generated by an insurance agent that provides evidence that an insurance policy has been issued to the subject. It delineates the coverage in effect, dates of inception and expiration, limits, and insurance companies for the stated party. The COI form, typically a standard "ACORD 25" form, is usually signed and dated by an agent of the insurance company listed on the form. Other documents from the insurer or agent containing the needed information are acceptable. Examples of such documents are a Declaration Page, Endorsements, or letterhead from the agent or insurer.

Higher Risk Goods or Services: Those goods and services that present a more significant risk of injury or death to citizens, students, or employees or that have more significant risk of lawsuit or legal action stemming from their normal use, but the use of which is necessary to the conduct of work. Examples of a higher risk good or service are a police firearm, blasting or fireworks.

Moderate Risk Goods or Services: Those goods and services that present some risk of injury or death to citizens, students, or employees or that have some risk of lawsuit or legal action stemming from their normal use, but the use of which is necessary to the conduct of work. Examples of a moderate risk good or service are a motor vehicle, school bus, or ladder.

Low Risk Goods or Services: Those goods and services that present little risk of injury or death to citizens, students, or employees and minimal risk of lawsuit or legal action if the item is used properly. Examples of a low risk good or service are pencils, chairs, or uniforms.

### Guidance

The Risk Management Department shall consult with the Purchasing Department and all other departments/schools regarding procurements and the level of risk involved.

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The Risk Management Department is responsible for establishing the amount, type, rating and status of insurance necessary for procurements. In doing so, several considerations will be taken into account, including, but not limited to:

- a. Input from users, process owners, and business community
- b. Benchmarking with similar local governments
- c. Legal requirements and regulatory compliance
- d. Business best practices
- e. Risk Management best practices

The Risk Management Department will monitor procurements to assure that the submitting entity maintains the initial required insurance for the duration of the contract.

The Director of Risk Management may establish increased or alternate insurance requirements in special circumstances.

Low risk goods or services are not covered by this guidance. No COI is required.

When moderate risk goods or services are purchased, the County will usually require a COI with insurance companies rated A- and VII or better by AM Best Company, and insurance policies in the amount, type and status established by the Director of Risk Management.

When higher risk procurements are contemplated, the Director of Risk Management will be consulted regarding the amount, type, rating, and status of insurance. The minimum acceptable A.M. Best rating will be A- and VII. The awarded contractor will be required to submit a COI meeting these insurance requirements.

On the COI, contractors shall provide evidence that they have added either “the Chesterfield County Board of Supervisors, their officers, employees, and agents” or “the Chesterfield County School Board, Chesterfield County Board of Supervisors, their officers, employees, and agents” as an additional insured under the commercial general liability, whichever is appropriate.

### Revisions

Future revisions of this document will be posted by Purchasing on the Purchasing Department internet site.