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Request for Proposal #2030

from the

City of Milpitas

For the

PROVISION OF
LAW ENFORCEMENT SERVICES

Issued: 8/22/12
Responses Due: October 2, 2012 (PDT)

Submit RFP Response to:

Purchasing Office
455 E. Calaveras Boulevard
Milpitas, CA 95035

Purpose

The City of Milpitas is seeking proposals from qualified agencies to provide law enforcement services. Currently, law enforcements services are provided through the Milpitas Police Department.

The Milpitas Police Department has a reputation of providing a high-level of law enforcement and community services. The incidence of violent crime is at a historic low. The purpose of this Request for Proposal is to seek proposals which will continue the same level of law enforcement services in Milpitas at a lower cost.

Background

Milpitas was incorporated in 1954 as a General Law City and the City encompasses 13.6 square miles. Milpitas is located at the north end of Santa Clara County and is bordered by the cities of Fremont and San Jose. A five-member Council governs the City. The City Manager is appointed by the Council. Milpitas has a residential population of 70,817 but the daytime population more than doubles as people work and visit Milpitas.

Milpitas has faced significant economic challenges as the State of California's elimination of Redevelopment Agencies has left the City in a budget shortfall of over $7 million. The City is open to evaluating other police service options, such as outsourcing law enforcement services, to reduce operating costs while continuing to provide efficient and quality police services.

The Police Department manages the City's Public Safety Answering Point (PSAP), which also provides Police, Fire, Crossing Guard and Public Works dispatching. The Communications Center answered 17,238 9-1-1 calls, created 78,894 CAD events and answered 99% of 9-1-1 calls in less than 10 seconds, in 2011. In greater than 96% of the incidents, Emergency dispatching was executed in less than 60 seconds. The average officer response time for in-progress emergencies (Priority 3 calls) was 2 minutes 41 seconds, in 2011. The average officer response time for 'urgent' responses (Priority 2 calls) was 5 minutes 6 seconds.

The Milpitas Police Department full-time sworn staffing is:

- 1 Police Chief
- 3 Division Commanders
- 4 Lieutenants
- 13 Sergeants
- 62 Police Officers

The Milpitas Police Department's full-time non-sworn staffing is:

- 3 Communication Dispatch Supervisors
- 10 Communication Dispatchers

- 1 Police Clerk Supervisor
- 5 Police Clerks
- 1 Police Property Clerk

The Milpitas Police Department's part-time staffing is:

- 1 Crossing Guard Supervisor
- 43 Crossing Guards
- 1 Property Clerk Intern

Scope of Service

The City of Milpitas is seeking proposals from public agencies to provide law enforcement services to the City. Proposals should include the provision of full-range of police services including 24/7 patrol services, investigative services, 9-1-1 answering services, dispatch services for Police, Fire, Public Works and Crossing Guards, Police-Community Relations services, other support services and administration. Specifically, the proposal should include staffing recommendations for all services, including supervisors, and additional funding, if any, required for vehicles, equipment and supplies needed to provide law enforcement services to the City. The specific requirements of this RFP are outlined in the following paragraphs.

DEADLINE FOR QUESTIONS

Questions pertaining to this Request For Proposal may be submitted ***PRIOR TO*** 4:00 PM on September 5, 2012, to Acting Police Chief Steve Pangelinan at spangelinan@ci.milpitas.ca.gov . Questions should be asked by email only so that specific answers may be formulated and shared with all respondents to keep the playing field level.

Mandatory Pre-Proposal Conference

A pre-proposal conference will be held on September 12, 2012 at 11:00 AM, in the Committee Meeting Room at City Hall at 455 E. Calaveras Blvd. Milpitas, CA 95035. The Committee Room is in the first floor lobby. **Attendance is mandatory.**

Innovative Approaches and Regional Solutions Desired

Of particular interest to the City of Milpitas are proposals that capitalize on the strengths and assets of the emergency response resources available within the City of Milpitas and in nearby jurisdictions, such that mutual economic benefits(s) to the City of Milpitas and a proponent can be achieved. Proposers to this Request For Proposal are encouraged to

"think out of the box". All relevant ideas and potential solutions will receive consideration.

Staffing

In presenting staffing necessary to provide law enforcement services to the City of Milpitas, the proposal should indicate the number of positions required to provide this service, both in terms of full-time positions providing service to the City, and part-time positions, if applicable. Also expressing this staffing in total annual hours as well as hours per position will be useful in evaluating the proposal in terms of comparing staffing levels.

Patrol staffing levels should be maintained at sufficient levels to meet the Milpitas Police Department's 2011 response times.

Staff Assignment and Deployment

The proposal should outline the plan for the deployment for staff assigned to patrol services and staff assignments in other units, including investigations, traffic, community relations, personnel & training and other support services.

In describing the deployment model for all police operations, submission shall indicate the hours/weeks assignments (5-8, 4-10, 3-12, etc.) and the proposer shall describe the number of patrol beats for various shifts. Also, the submission shall indicate how shifts will be staggered to meet peak calls for service and avoid lost coverage due to shift changes.

Minimum Coverage

The proposer shall indicate patrol minimum staffing levels for all patrol shifts. The proposer shall commit that officers assigned to the City of Milpitas will not be allowed to be used as responding officers to its officers assigned to other jurisdictions. The sole exceptions to the rule would be extraordinary incidents involving mutual aide.

Traffic Enforcement Services

The proposer shall include the number of traffic supervisors and traffic officers it would assign to the City of Milpitas, what types of vehicles will be used for the assignment and the deployment schedule.

Investigative Services

The proposer shall indicate how it will provide investigative services, the number of detectives that will be assigned to the City of Milpitas, a schedule of the assigned detectives and the cost to support supplies and contracts.

Management and Supervision

The proposer shall indicate how the provision of law enforcement services to Milpitas will be managed and supervised. This shall include a Chief Officer who will act as the on-site Department Head in overseeing police services to Milpitas. The plan for supervision of law enforcement services to Milpitas should be outlined including the management and supervisory functions of direction, planning, coordination, communication, training, evaluation and discipline.

Response and Report taking Services

The proposer shall indicate the types of calls for service they hold as a standard that mandates a response and the types of calls for service where the proposer does not require officers to respond to a scene. The proposer should indicate alternatives the proposing agency offers if assistance is requested but a response is not mandated.

The proposer shall indicate their standards on what types of cases mandate written or typed reports and what types of incidents the proposer does not require officers to submit written or typed reports.

Assignments to the City of Milpitas

Commitment and knowledge of the community is of high-importance to effectively police the City. The proposer shall indicate the length of time officers will be assigned to their positions in Milpitas before being allowed to accept assignments outside the City of Milpitas. The proposer shall submit the duration for each assignment.

Communications Center

The proposer shall demonstrate how it will provide 9-1-1 answering services and receive business phone calls. The proposer shall provide an integrated 24/7 dispatching services for Police, Fire, Public Works, and Crossing Guards and describe how an integrated dispatching service will be provided. The proposer shall indicate whether its current dispatch staffing levels are sufficient to meet the demands.

Computer Aided Dispatching (CAD)

The Milpitas Police Department possesses an extensive geographic information system (GIS) map that has been integrated into the dispatching application and mobile computers. This system is used for Police, Fire and Public Works dispatching.

The mapping is used to determine routing and provides information such as gate access codes, hydrant locations, HAZMAT information, and aerial photos. Routing algorithms within the CAD application use the street network data to calculate shortest response time before making unit recommendations. The combination of GPS unit location data and GIS street data has greatly reduced response times for both Police and Fire calls for service.

The software application has interfaces to several external systems. Currently, the Fire Department scheduling and records management systems, along with Santa Clara County EMS reporting systems are interfaced to the CAD software. Fire Station alerting, automated paging and "rip and run" printing are integrated within the Fire Department dispatching application.

The proposing agency must have in-place similar software that will be equally effective in routing Fire and Police and providing information to units in the field. The proposing agency shall describe the software applications in use that it provides its current staff and describe how it would provide equivalent services to the Milpitas Fire Department and Police.

Personnel & Training

The Milpitas Police Department's Personnel and Training Sergeant manages most personnel records, coordinates training, and coordinates elements of the application / hiring processes.

The proposer shall indicate how it will meet the personnel and training needs described in the previous paragraph and at what cost.

In addition, the proposer shall indicate how it will provide continuous training to personnel to meet POST standards. The proposer shall indicate what training will be offered to assigned officers that are beyond POST standards.

Administration

The proposer shall indicate how it will provide administrative services including budget preparation, purchasing and inventory controls, records management, personnel and training management, workers compensation and insurance services, information technology, performance standards compliance, incident reporting, collection of fines, a monthly analysis of crime statistics, and a monthly analysis of emergency and non-emergency data. All data and reports shall be forwarded to the City Manager or his / her designee.

Records shall be sufficient to meet federal and state reporting requirements, including but not limited to audits, and asset seizures.

The successful proposer's Chief Officer shall attend City of Milpitas Council meetings, the City Manager's staff meetings, and other meetings as required.

During the term of any agreement, the proposer shall solicit input from the City Manager on any changes to the Chief Officer.

Facilities

The proposer shall explain how law enforcement services will be housed to support services to the City of Milpitas. The proposer will need to explain in detail how the public will be able to contact the law enforcement agency for law enforcement services.

Currently, the Milpitas Police Department provides law enforcement services to the City of Milpitas and all police offices and supplies are located at 1275 N. Milpitas Boulevard.

If the proposer has existing contracts with other jurisdictions, the proposer shall describe their current operations in other jurisdictions, specifically how many officers are stationed in other jurisdictions and provide documentation of any building maintenance costs to the contracting jurisdiction.

If the City of Milpitas were to award a contract for Police services, the awarded proposer would lease the City of Milpitas Police station for $1 per year. For the duration of the contract the awarded proposer will be responsible for any and all maintenance and repairs require to maintain the facilities in as good a condition as when first taken over, minus normal wear and tear.

Vehicles / Equipment

The proposer shall outline vehicles and / or equipment that will be provided by the proposing agency in implementing a contract and what vehicles and / or equipment will need to be purchased from the City of Milpitas. It is the preference of the City of Milpitas that all vehicles and equipment, including expendable equipment, tools, fixtures, furnishings, and all items incidental to the operation of the Police Department with a fair market value of $250 or more shall be either (a) purchased out right by the awarded proposer at the time of contract award or (b) credited to the City through deductions from City Payments to the awarded proposer over the length of the contract and amortized over the life of the contract or equipment, which ever comes first. This includes all items currently in the possession or assigned to the City of Milpitas Police Department unless specifically excluded. The proposals should identify which of these purchase methods the proposer wishes to use.

The City will consider alternative payment and/or lease methodologies for vehicles and equipment other than the two specified herein.

All vehicles and major equipment sold would be identified in the agreement for services negotiated by the City of Milpitas and the awarded proposer. An estimate of cost should be provided.

All vehicles and equipment purchased by the City of Milpitas will remain as City of Milpitas property.

Other Contracted Services

Currently, the City of Milpitas contracts for certain services and the awarded proposer may need to assume those contracts, such as vehicle fueling, copy machine services, etc.

Public Outreach

The Milpitas Police Department maintains a Police-Community Relations Unit to support community interaction and involvement. Examples of these duties are maintaining Neighborhood Watch, supervising the Citizen Volunteer program, supervising the Milpitas Police Activities League, supervising vacation house checks and coordinating fundraising events related to the Special Olympics.

The proposer shall indicate its plans for public outreach to the City of Milpitas community. The proposer shall provide in detail the manner to which it will provide outreach to residents, visitors and the business communities.

The proposer shall explain what outreach services it is providing with other contracts and the manner in which the proposer is providing those services.

Supplement Services

The proposer shall indicate any supplemental law enforcement services, units, and / or capabilities which it will provide the City of Milpitas. The proposer shall indicate the costs involved with supplemental services. These services could include but are not limited to the deployment of police canines, SWAT operations, the use of crisis negotiators, field training officers, bicycle patrol officers, field evidence technicians, polygraph examinations and media relations. In addition, the proposer will be obligated to budget for contractual obligations services such as, but not limited to, Coplink, Santa Clara County Crime Lab, Silicon Valley Regional Interoperability Authority and Cal ID.

Term

The initial term of the contract will be for a minimum of ten (10) years, with options to extend the agreement beyond ten years one year at a time for up to five (5) more years. Upon an agreement for services, the City of Milpitas will determine the start date for services.

Additional Submittal Information

The City of Milpitas assumes no responsibility for delays caused by delivery service. Postmarking by the due date will not substitute for actual receipt. All cost incurred during proposal preparation or in any way associated with the agency's preparations, submission, presentation, or oral interview shall be the sole responsibility of the agency.

If awarded a contract, the successful agency shall maintain insurance coverage as listed in Exhibit A - "Insurance Requirements - General"

Award of Proposal

Award will be made to the Proposer offering the most advantageous proposal after consideration of all Evaluation Criteria set forth below. The criteria are not listed in any order of preferences. An Evaluation Committee will be established by the City of Milpitas. The Committee will evaluate all proposals received in accordance with the Evaluation Criteria. The City of Milpitas reserves the right to establish weight factors that will be applied to the criteria depending upon order of importance.

Award Evaluation Criteria

Evaluation Criteria that will be used to evaluate all proposals that are received are listed below:

- Responsiveness to the RFP;
- Experience and qualifications of the proposer
- Service Approach
- Service level offered
- Maximum guaranteed response time for standard service calls
- Maximum guaranteed response time for emergency service calls
- Conformance with the services listed in the request for proposal
- Financial stability
- Price

The evaluation committee may also contact and evaluate the Proposer's and subcontractor's references; contact any Proposer to clarify any response; contact any current users of a Proposer's services; solicit information from any available source concerning any aspect of a proposal; and seek and review any other information deemed pertinent to the evaluation process. The evaluation committee shall not be obligated to accept the lowest priced proposal, but shall make an award in the best interests of the City of Milpitas after all factors have been evaluated.

Discussions may, at the City of Milpitas' sole option, be conducted with responsible Proposers who submit proposals determined to be reasonably susceptible of being selected for an award. Discussions may be for the purpose of clarification to assure full

understanding of, and responsiveness to, the solicitation requirements. Proposers shall be accorded fair and equal treatment with respect to any opportunity for discussion and written revision of proposals. Revisions may be permitted after submissions and before award for obtaining best and final proposals. In conducting discussions, the City of Milpitas will not disclose information derived from proposals submitted by competing Proposers. A Notification of Intent to Award may be sent to any Proposer selected. Award is contingent upon the successful negotiation of final contract terms. Negotiations shall be confidential and not subject to disclosure to competing Proposers unless an agreement is reached. If contract negotiations cannot be concluded successfully, the City of Milpitas may negotiate a contract with the next highest scoring Proposer or withdraw the RFP.

Award Selection Process

Additional questions may be asked of Proposers and interviews may be conducted. Proposers will be notified of any additional required information or interviews after the written proposals have been evaluated. Interviews will be held with the most qualified respondents. The recommended proposals will be submitted to the (awarding authority) for contract approval. The Proposer selected will enter into a contract with the City of Milpitas.

Proposal Evaluation Process and Timing

All proposals will be screened by the City of Milpitas. Those most advantageous to the City of Milpitas will be afforded the opportunity to present their proposal to a committee of City of Milpitas representatives. It is the City of Milpitas's plan to interview the most responsive proposers prior to any decision. However, the City of Milpitas is under no obligation to interview any of the proposers. All proposals will be reviewed by the Milpitas City Council, which will make the final determination.

Important dates and the projected timeline for this process are:

Cut off date for Questions	September 5, 2012
Pre-proposal Conference	September 12, 2012
Proposals due	October 2, 2012
Questions to Proposers/Meetings with City Staff	TBD
Proposal Presentation to the City Council	TBD
Council Discussion and Direction to Staff	TBD
Council Consideration of Draft Agreement	TBD
Transition of Services to New Provider	January 2, 2013

Non – Obligation

The City of Milpitas retains sole discretion to evaluate proposals and may make an award to the agency deemed to have the most advantageous proposal. In addition the City of

Milpitas reserves the right to engage in negotiations with any proposer over alternatives identified in this Request For Proposal as well as alternatives that may become apparent during negotiations. Receipt of proposals in response to this Request For Proposal do not obligate the City of Milpitas in any way to engage any proposing agency and the City of Milpitas reserves the right to reject any or all proposals, wholly or in part, at any time, without penalty. The City of Milpitas reserves the right to cancel the solicitation and make no award.

The City of Milpitas shall bear no financial or other responsibility to any proposer for any reason or for any participation in the process. The City of Milpitas reserves the right to negotiate all final terms and conditions of any agreements entered into.

Terms of the Agreement and Pricing

The City of Milpitas expects to complete its review and selection process by October 8th, 2012 in anticipation that all facets of the Policy emergency response system will be in place on or before January 2, 2013.

The City of Milpitas will entertain suggestions to begin any of the proposed services before year January 2, 2013, if such proposal is beneficial to the City of Milpitas. Proposers to this request for proposal should be prepared to enter into a minimum ten-year agreement for the proposed services.

Pricing – All proposals shall include the pricing details for each service. Such detail will include the cost of personnel salaries and benefits, materials, equipment, and overhead cost, if any. The cost of each position/rank and level of effort for the individual is also to be shown. Pricing detail shall be depicted by year for each of the ten years such that the City of Milpitas can evaluate the proposal's annual and total cost. Proposals may include annual cost adjustments due to anticipated changes in salary, benefits, and other cost.

As part of their submittal, proposers are encouraged to transition personnel currently employed by the Milpitas Police Department and are to submit with their cost proposal, two (2) separate cost structures. **The first** is to show the cost of current City of Milpitas Police Department employees that are "y banded" at their existing salary level. **The second** is to show the cost if the proposing agency uses employees hired by their agency and within its salary structure.

The proposal shall provide the following information for the cost of providing services:

1) Annual price for providing the full scope of law enforcement services outlined in this RFP and a breakdown of the expenses.
    a) The proposer must explain their policies, including rates, in the use of straight-time and overtime.

2) If annual price adjustments to the contract are contemplated, explain what index or formula will be used to determine the price adjustments.

3) Estimate the City of Milpitas' start-up costs that will be required for implementing the respondent's proposal.

Submittal Guidelines

Agencies submitting proposals for the full service delivery request for proposal shall submit One (1) unbound copy Marked "MASTER" and five (5) bound copies marked copy and one electronic copy on CD-ROM. Proposal shall be double sided on recycled content paper, in a sealed envelope bearing the caption **"Request For Proposals - #2030: Provision of Law Enforcement Services".** The proposal must include a transmittal letter signed by an official representative authorized to commit the organization to the proposal terms.

Rules For Submitting Proposals

a. **Submittal Deadline**. Proposals must arrive in the (Purchasing Office), 455 E. Calaveras Blvd., Milpitas, CA 95035-5411, by the Submittal Deadline of October 22, 2012 at 2:00 PM, or subsequent addenda. Proposals may be submitted by hand, by courier, or any other method specified herein. Proposals may also be submitted in person at the Information Counter in the lobby of the first floor of City Hall at 455 E. Calaveras Blvd. Milpitas CA, 95035

b. **Responsibility**. Proposers are solely responsible for ensuring their proposal is received by the City of Milpitas in accordance with the solicitation requirements, before Submittal Deadline, and at the place specified. The City of Milpitas shall not be responsible for any delays in mail or by common carriers or by transmission errors or delays or mistaken delivery. Delivery of proposals shall be made at the office specified in the Request For Proposals (this solicitation). Deliveries made before the Submittal Deadline but to the wrong City of Milpitas office will be considered non-responsive unless re-delivery is made to the office specified before the Submittal Deadline.

c. **Extension of Submittal Deadline**. The City of Milpitas reserves the right to extend the Submittal Deadline when it is in the best interest of the City of Milpitas.

d. **Facsimile Transmissions**. Proposals may NOT be submitted by facsimile, unless otherwise specified herein.

e. **Late Proposals**. The Submittal Deadline it IS FIRM. Proposals will NOT be accepted after the Submittal Deadline and will be returned to the Proposer unopened.

Rights Reserved

The City of Milpitas reserves the right to request additional information concerning any proposal for purposes of clarification, to accept or negotiate any modification to any proposal following the deadline for receipt of all proposals, and to waive any irregularities if such would serve the best interests of the City of Milpitas as determined by the City Manager.

RFP Response Format

To ensure uniformity of proposals, the City of Milpitas is seeking RFP responses in the following format with the use of tabs between sections.

1) Cover Letter
    a) Agency Name
    b) Brief description of agency
2) RFP Response
    a) Provide information about the agency including its organizational structure, service locations, number of employees and size of operating and capital budgets.
    b) Key Personnel
        i) Indicate the Chief Officers of the agency and who is being proposed to the Chief's Office in Milpitas.
        ii) Identify the point of contact for purposes of this RFP
    c) Qualifications
        i) Describe examples where the agency has provided law enforcement services under contract to another organization, municipality or other governmental agency.
            - Attach copies of contracts with other organizations, municipalities, or other government agencies for the past 10 years.
            - Attach copies of billing for each contract for the past 10 years.
            - Attach copies of its Memorandum of Understandings for the unions providing law enforcement services and unions providing support services for law enforcement for the past 10 years.
        ii) Proved references where the agency has provided similar law enforcement services to a municipality. These references should include the agency name, agency contact person and their address, telephone number and email address.
    d) Response to Scope of Services – Outline in detail how the proposer will provide the full scope of law enforcement services as outlined in the Scope of Services. In addition, explain in detail the experience the proposer has in providing each of the services listed below.
        i) Staffing
        ii) Staff Deployment
        iii) Management / Supervision
        iv) Patrol Performance Standard

v) Patrol Assignments
vi) Minimum Coverage
vii) Vehicle Identification
viii) Traffic Services
ix) Parking Enforcement
x) Dispatch
xi) Investigative Services
xii) Emergency Operation Center
xiii) Training
xiv) Administration
xv) Facilities
xvi) Vehicles / Equipment
xvii) Public Outreach
xviii) Supplemental Services
xix) Asset Seizures
xx) Grants

Price

i) Provide the annual price for providing the full scope of law enforcement service to the City of Milpitas.
ii) Indicate the index or formula for determining annual price adjustments, if applicable.
iii) State a fixed price for the term, or alternate term, if applicable.
iv) Indicate the "in kind" value provided in the proposal
v) Provide an estimate of the City's start up costs.

EXHIBIT A
INSURANCE REQUIREMENTS - GENERAL

Definition:
For purposes of this contract, the following definition applies: City of Milpitas includes the duly elected or appointed officers, agents, employees and volunteers of the City of Milpitas, individually or collectively.

Insurance Required:
No work shall be done under this Contract unless there is in effect insurance required by the Contract and under this section, and such insurance has been approved by the City, nor shall the Contractor allow any subcontractor to commence work on his subcontract until all insurance required of the subcontractor has been so obtained and approved. The Contractor shall maintain or cause to be maintained adequate workers' compensation insurance as required under the laws of the State of California, for all labor employed by him or by any subcontractor under him who may come within the protection of such worker's compensation laws of the State of California and shall provide or cause to be provided employer's general liability insurance for the benefit of his employees and the employees of any subcontractor under him not protected by such compensation laws.

Minimum Scope of Insurance: (Check Mark Indicates Required)
Coverage must be *at least as broad as:*

(X) Insurance Services Office Commercial General Liability coverage (occurrence Form CG0001).
(X) Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).

(X) Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.
( ) Professional Liability or Errors & Omissions Liability insurance appropriate to the contractor's profession.
( ) Architects' and Engineers' coverage is to be endorsed to include contractual liability.

Minimum Limits of Insurance:
Contractor must maintain limits no less than:

1.	**General Liability:** (Including operations, products and completed operations, as applicable.)	**$20,000,000** per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance with a general aggregate limit is used, either the general aggregate limit must apply separately to this project/location or the general aggregate limit must be twice the required occurrence limit.
2.	**Automobile Liability:**	**$5,000,000** per accident for bodily injury and property damage.
3.	**Workers' Compensation** **Employer's Liability:**	Statutory **$1,000,000** each accident **$1,000,000** disease-policy limit **$1,000,000** disease-each employee
4.	**Professional Liability or Errors & Omissions Liability:**	**$1,000,000** each occurrence **$1,000,000** policy aggregate

Deductibles and Self-Insured Retentions:
Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Contractor to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

Other Insurance Provisions:
The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. **The City of Milpitas, its officers, officials, employees, and volunteers** are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance (at least as broad as ISO Form CG 20 10 11 85), or as a separate owner's policy.

2. For any claims related to this project, the **Contractor's insurance coverage shall be primary** insurance as respects the City, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees, or volunteers shall be excess of the **Contractor's insurance and shall not contribute with it**.

3. The Insurance Company agrees to **waive all rights of subrogation** against the City, its elected or appointed officers, officials, agents and employees for losses paid under the terms of any policy which arise from work performed by the Named Insured for the City. This provision also applies to the Contractor's Workers' Compensation policy.

4. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after **thirty (30) days' prior written notice (10 days for non-payment)** by certified mail, return receipt requested, has been given to the City. If Contractor's insurer refuses to provide this endorsement, Contractor shall be responsible for providing written notice to the City that coverage will be canceled thirty (30) days after the date of the notice or ten (10) days for non-payment.

Acceptability of Insurers:
Insurance is to be placed with licensed insurers admitted to transact business in the State of California with a current A.M. Best's rating of no less than A-VII. If insurance is placed with a surplus lines insurer, insurer must be listed on the State of California List of Eligible Surplus Lines Insurers (LESLI) with a current A.M. Best's rating of no less than A-X. Exception may be made for the State Compensation Fund when not specifically rated.

Verification of Coverage:
Contractor shall furnish the City with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on insurance industry forms, provided those endorsements or policies conform to the contract requirements. All certificates and endorsements are to be received and approved by the City before work commences. The City reserves the right to require, at any time, complete, certified copies of all required insurance policies, including endorsements evidencing the coverage required by these specifications.

The Certificate with endorsements and notices shall be mailed to: City of Milpitas, Attention: Purchasing, 455 East Calaveras Boulevard, Milpitas California, 95035-5411.

Subcontractors:
Contractors must include all sub-contractors as insureds under its policies or furnish separate certificates and endorsements for each sub-contractor. All coverage for sub-contractors are subject to all of the requirements included in these specifications.

Absence of Insurance:
If the Contractor allows the insurance to lapse, be cancelled, or be reduced below the limits specified in this article, the Contractor shall cause all work in the Project to cease and any delays or expenses caused due to stopping of work and change of insurance shall be considered Contractor's delay and shall not be considered to increase cost to the City or increase time in which the Project shall be completed.

Contractor agrees that if it does not keep the aforesaid insurance in full force and effect, City may immediately terminate this Agreement