

## **Appendix C: Contract Guidance, Insurance and Rating Check Requirements for Charter Bus Companies**

### **Company Representations**

- That well maintained and clean buses will be provided.
- That all busses and equipment necessary to fulfill this charter bus contract are clean, in good working order, and conform with proper standards of the industry.
- That all driving staff provided are properly certified and licensed under the laws, rules and regulations of any authority having jurisdiction, if so required by such laws, rules and regulations.
- That all driving staff provided have been drug tested in compliance with any applicable laws, rules and regulations of any authority having jurisdiction, if so required by such laws, rules and regulations.
- That all driving staff provided conform to all applicable requirements for motor carrier drivers.
- That all driving staff provided are prepared with routing information.
- That all of the services to be performed by the bus charter company under or pursuant to this contract shall be of the standard and quality which prevail among similar businesses and organizations of superior knowledge and skill engaged in providing similar services under the same or similar circumstances.
- That the charter bus company has all necessary corporate power and has received all necessary corporate approvals to execute and deliver this contract, and the individual executing the contract on behalf of the charter bus company has been duly authorized to act for and bind the company.
- Charter Bus Company warrants that all laws, rules and regulations of duly constituted authorities having jurisdiction over its activities shall be complied with by the charter bus company and its drivers.
- Except for the obligation of the University to pay the charter bus company pursuant to the terms of the contract, the University shall have no liability to the charter bus company or to anyone claiming through or under the charter bus company by reason of the execution or performance of this contract.

### **Insurance Requirements (please see below for contract section)**

In addition to the standard WC/EL limits in the OGC standard agreement, Charter bus company should warrants that it has a commercial insurance coverage consisting of commercial general liability insurance (including blanket contractual liability, broad form property damage, personal and advertising injury, completed operations/products liability, medical expenses, interest of employees as additional insureds and broad form general liability endorsements) for at least FIVE MILLION DOLLARS (\$5,000,000.00) per occurrence on an occurrence basis; and comprehensive automobile liability insurance covering all owned, non-owned or hired automobiles to be used by the charter bus service, with coverage for at least FIVE MILLION DOLLARS (\$5,000,000.00) combined single limit bodily and property damage insurance.

Contractor may obtain the \$5,000,000 required in the General Liability and Auto Liability policy by purchasing an umbrella or excess policy.

### **Contract Section Insurance Requirements**

Contractor, consistent with its status as an independent contractor will carry and will cause its subcontractors to carry, at least the following insurance in the form, with companies having an A.M. Best Rating of A-:IV or better, and in amounts (unless otherwise specified), as University may require:

Workers' Compensation Insurance with statutory limits, and Employer's Liability Insurance with limits of not less than \$1,000,000:

Employers Liability - Each Accident	\$1,000,000
Employers Liability - Each Employee	\$1,000,000
Employers Liability - Policy Limit	\$1,000,000

Policies must include (a) Other States Endorsement to include TEXAS if business is domiciled outside the State of Texas, and (b) a waiver of all rights of subrogation and other rights in favor of University;

Commercial General Liability Insurance with limits of not less than:

Each Occurrence Limit	\$1,000,000
Damage to Rented Premises	\$ 100,000
Medical Expenses (any one person)	\$ 10,000
Personal & Advertising Injury	\$1,000,000
General Aggregate	\$2,000,000
Products - Completed Operations Aggregate	\$2,000,000

Commercial Automobile Liability Insurance covering all owned, non-owned or hired automobiles, with coverage for at least \$5,000,000 Combined Single Limit Bodily Injury and Property Damage. Coverage shall not exclude passengers;

All risk physical damage on their buses, naming The Board of Regents of the University of Texas System; their respective affiliated enterprises, officers, directors, employees, representatives, and agents as additional insured under the policy and provide The Board of Regents of the University of Texas System; their respective affiliated enterprises, officers, directors, employees, representatives, and agents with a waiver of subrogation.

Umbrella/Excess Liability Insurance (if limits are not met in primary insurance contracts) with limits of not less than \$4,000,000 per occurrence and aggregate with a deductible of no more than \$10,000, and (i) providing coverage in excess of and (ii) "following form" subject to the same provisions as, the underlying policies required for General Liability and Commercial Auto Liability Insurance.

Contractor will deliver to University:

Evidence satisfactory to University in its sole discretion, evidencing the existence of all insurance promptly after the execution and delivery of this Agreement and prior to the performance or continued performance of any services to be performed by Contractor under this Agreement.

Additional evidence, satisfactory to University in its sole discretion, of the continued existence of all insurance not less than thirty (30) days prior to the expiration of any insurance. Insurance policies, with the exception of Workers' Compensation, and Employer's Liability, will name and the evidence will reflect University as an Additional Insured and will provide that the policies will not be canceled until after thirty (30) days' unconditional written notice to University.

Institution should check one of the following sites to insure that carrier is rated as satisfactory:

Passenger Carrier Safety

[http://ai.fmcsa.dot.gov/Passenger/find\\_carrier.asp](http://ai.fmcsa.dot.gov/Passenger/find_carrier.asp)

SafeStat

<http://ai.fmcsa.dot.gov/SafeStat/disclaimer.asp?RedirectedURL=/SafeStat/SafeStatMain.asp>