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

**Company Must Warrant the Following:**

*The following requirements should be included in all transportation contracts:*

* 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 for Contracts**

*The following language is to be incorporated into the insurance section of your contracts with any transportation brokers, charter bus companies, or direct carriers:*

Contractor, consistent with its status as an independent contractor will carry and will cause its subcontractors to carry, at least the following insurance, with insurance companies authorized to do business in the State of Texas or an eligible surplus lines insurer operating in accordance with the Texas Insurance Code, having an A.M. Best Rating of A-:VII or better, and in amounts listed below:

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 |

Workers’ Compensation policy must include under 3.A. on the information page of the workers’ compensation policy the state in which work is to be performed for University., Workers’ compensation is required and no “alternative” forms of insurance shall be permitted;

*In addition to the above Workers’ Compensation coverage required of all contractors, Transportation Brokers shall provide the following additional coverage:*

Commercial General Liability Insurance with limits of not less than:

Each Occurrence Limit $1,000,000

Medical Expenses (any one person) $10,000

Personal & Advertising Injury $1,000,000

General Aggregate $2,000,000

Business Automobile Liability with limits of not less than:

$1,000,000 single limit any one accident, covering all owned, non-owned or hired vehicles.

*For Charter and Direct Carriers operating vehicles or buses with a seating capacity of 16 passengers or more the General Liability requirements are as follows:*

Commercial General Liability Insurance with limits of not less than:

Each Occurrence Limit $5,000,000

Medical Expenses (any one person) $10,000

Personal & Advertising Injury $1,000,000

General Aggregate $5,000,000;

Business Auto Liability with limits of not less than:

$5,000,000 single limit any one accident, covering all owned, non-owned or hired vehicles per the Code of Federal Regulations (CFR) 49, Subtitle B, Section 387.33, Financial responsibility, minimum levels. Business auto liability coverage shall not exclude passengers.

*For Charter and Direct Carriers operating vehicles or buses with a seating capacity of 15 or less passengers the General Liability requirements are as follows:*

Commercial General Liability Insurance with limits of not less than:

Each Occurrence Limit $1,500,000

Medical Expenses (any one person) $10,000

Personal & Advertising Injury $1,000,000

General Aggregate $3,000,000;

Business Auto Liability with limits of not less than:

$1,500,000 single limit any one accident, covering all owned, non-owned or hired vehicles per the Code of Federal Regulations (CFR) 49, Subtitle B, Section 387.33, Financial responsibility, minimum levels.. Business auto liability coverage shall not exclude passengers.

*The following language should be included below the insurance limits requirements of all transportation contracts:*

If limits are not met in the primary insurance contracts, Umbrella/Excess Liability Insurance may be used to achieve the minimum limits required above. Umbrella/Excess Liability policy shall be written with limits of not less than what is required above per occurrence and in the aggregate, will be excess over and be no less broad than and “following form” over and including coverage described above. Inception and expiration dates will be the same as the underlying policies.

Charter and Direct Carrier Contractors shall provide an all risk physical damage policy 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.

Contractor will deliver to University:

Evidence of insurance on a Texas Department of Insurance approved certificate verifying the existence of all insurance after the execution and delivery of this agreement and prior to the performance or continued performance of any services to be performed by the Contractor under this agreement.

Additional evidence of insurance on a Texas Department of Insurance approved certificate verifying the continued existence of all insurance not more than (30) days after the expiration of any insurance. Insurance policies, with the exception of Workers’ Compensation and Employer’s Liability, shall be endorsed and name University as an Additional Insured. All policies will be endorsed to provide a waiver of subrogation in favor of University. All policies with the exception of Workers’ Compensation and Employer’s Liability will be endorsed to provide primary and non-contributory coverage. No policy shall be canceled until after thirty (30) days' unconditional written notice to University.

**Bus Safety and Carrier Safety Performance**

Institutions should check the following site to verify the carrier’s safety rating. You will need either the carrier’s USDOT #, MC#, or the name they do business under.

<http://safer.fmcsa.dot.gov/CompanySnapshot.aspx>

**Safety Rating** - A motor carrier receives a safety rating when an authorized official conducts an on-site examination of a motor carrier operation including compliance with the Federal Motor Carrier Safety Regulations and the Hazardous Materials Regulations. The official reviews records, evaluates roadside vehicle inspection data, and accidents to determine whether a motor carrier meets the safety fitness standard. (Review the [FMCSA Regulations](http://www.fmcsa.dot.gov/safety/company-safety-records) for a detailed definition of a safety rating.) The following Safety Ratings are defined:

* Satisfactory - A motor carrier has in place and functioning adequate safety management controls to meet the safety fitness standard prescribed in 49 CFR 385.5. Safety management controls are adequate if they are appropriate for the size and type of operation of the particular motor carrier.
* Conditional - A motor carrier does not have adequate safety management controls in place to ensure compliance with the safety fitness standard that **could result** in the occurrences listed in 49 CFR 385.5 (a) through (k).
* Unsatisfactory - A motor carrier does not have adequate safety management controls in place to ensure compliance with the safety fitness standard which **has resulted** in occurrences listed in 49 CFR 385.5 (a) through (k). Unsatisfactory rated motor carriers are subject to the prohibitions and ineligibilities listed in 49 CFR 385.13.
* Not Rated or None - An unrated carrier means that a safety rating has not been assigned to the motor carrier.

For more detailed information on the assessment of a motor carrier’s on-road performance over the last 24 months, visit the Motor Carrier Safety Measurement System at the following link. Again, you will need either the carrier’s USDOT #, MC#, or the name they do business under.

<http://ai.fmcsa.dot.gov/SMS/>

This data is updated monthly.

For more resources and information on bus safety and carrier information, visit the Federal Motor Carrier Safety Administration, bus passenger safety and security website at <http://www.fmcsa.dot.gov/safety-security/pcs/Index.aspx>