



September 22, 2022

Sent via email, this day

Tirena Pavelka, Government Sales Account Manager
Caterpillar Inc.
100 NE Adams St.
Peoria, IL 61629
Email: Pavelka_tirena_l@cat.com

Subject: RFP 212816 Heavy Equipment, Parts, Accessories, Supplies and Related Services
Intent to Award Notice

Dear Ms. Pavelka,

It is the City's intent to accept your proposal for the above referenced solicitation and the City's intent is to make a single contract award to your company, Caterpillar, Inc.

It shall be your responsibility to forward to this department, within ten (10) days of the date of this letter, **by Monday, October 3rd, no later than 4:00 p.m. AZ Local Time**, the items noted on **Attachment A: Insurance Requirements**.

Regarding the Insurance Requirements and as agreed to in the Negotiation Confirmation Notice, along with Caterpillar, Inc. providing the required insurance documents, Caterpillar's Local Authorized Dealer, Empire Southwest is also required to provide the required Insurance Documents.

The Notice of Intent to Award is not a contract and does not establish any contractual relationship. The Insurance Requirement provision, as listed in the Attachment is one condition precedent to contract execution. The contract is not deemed to be executed until it is signed by the City's Director of Business Services and approved as to form by the City Attorney.

If you should have any questions regarding the items above, please contact me at (520) 837-4134 or Cynthia.Thompson@tucsonaz.gov

Sincerely,

Cynthia Thompson, NIGP-CPP, CPPB
Principal Contract Officer

Cc: Christina Dorantes, OMNIA Partners
Attachment A: Insurance Requirements

Attachment A - RFP 212816 – Insurance Requirements

G. INSURANCE REQUIREMENTS

G.1. The Contractor agrees to:

- A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least **thirty (30) calendar** days prior to termination, cancellation, or reduction in coverage in any policy. Contractor and the Applicable Dealer, agree to make a best effort to comply with the thirty (30) day notice. Such notice shall be sent directly to the Procurement Division.

- B. The Commercial General Liability, Commercial Automobile Liability, and umbrella policies where applicable will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The Contractor agrees that the insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.

- A. Provide and maintain minimum insurance limits as applicable.

G.2. Commercial General Liability

Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability:

Each Occurrence: \$1,000,000

General Aggregate: \$2,000,000

Products & Completed Operations Aggregate: \$2,000,000

Personal and Advertising Injury: \$1,000,000

Blanket Contractual Liability: \$1,000,000

G.3. Commercial Automobile Liability

Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.

Combined Single Limit: \$1,000,000

G.4. Worker's Compensation (Applicable to the State of Arizona)

Per Occurrence: Statutory

Employer's Liability: \$1,000,000

Disease Each Employee: \$1,000,000

Disease Policy Limit: \$1,000,000

G.5. Garage Liability & Garage Keepers Liability – In addition to I, II, III

Garage Liability Limit \$1,000,000

Garage Keeper's Liability – Direct Primary Coverage

Each Auto Limit: \$500,000

Each Occurrence Limit: \$1,000,000

*Sole Proprietor/Independent Contractor designation is given to those who desire to waive their rights for workers' compensation coverage and benefits as outlined in ARS§ 23-901 and specifically ARS § 23-961 (O). If applicable, please request the Sole Proprietor/Independent Contractor form from the Contract Officer listed in the solicitation.

G.6. Claims Made Insurance Coverage

If any or part of the required insurance is written on a claims-made basis, any policy retroactive date must precede the date of the contract and the Contractor must maintain such coverage for a period not less than three (3) years following contract expiration, termination or cancellation.

G.7. Additional Insurance Requirements

All Policies, excluding Employment Practices Liability and Professional Liability (Errors & Omissions), shall include or be endorsed to include the following provisions:

- A. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Contractor (Including Worker's Compensation).
- B. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
- C. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

G.8. Notice of Coverage Modifications: Any changes material to compliance with this contract in the insurance policies above shall require **thirty (30) days** written notice from the Applicable Dealer to the City of Tucson. Contractor and the Applicable Dealer, agree to make a best effort to comply with the thirty (30) day notice. Such notice shall be sent directly to the Procurement Division.

G.9. Acceptability of Insurers

Contractors' insurance shall have an "A.M. Best" rating of not less than A-VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

G.10. Verification of Coverage

Contractor shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Procurement Division.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

G.11. Subcontractors

Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

G.12. Exceptions

In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- Insurance.