

CONTRACT CONTROL POLICY

INTRODUCTION

ADOPTION DATE BY BOARD OF SUPERVISORS: January 6, 1997

ID #: 9701

EFFECTIVE DATE:

All contracts with effective dates beginning after February 1, 1997

PURPOSE:

The purpose of this Policy is to establish procedures to ensure that Yuma County contracts comply with all legal, fiscal, and insurance requirements established by Federal or State government or by County policy. This Policy is also issued to provide County staff clear instructions and information necessary to assist them in executing appropriate contract documents.

APPLICABILITY/EXCLUSIONS:

All County agencies and employees are subject to this Policy.

Coverage under this Policy depends upon the type of transaction and the cost. Contract documents and Contract Control Forms (described later in this Policy) are required for obtaining labor intensive services, items, or facility construction, renovation, or leasing costing more than \$1000. Contract documents and Contract Control Forms are not required for any items (labor intensive or not) costing less than \$1,000. Contract documents are also not required for purchasing non-labor intensive items of any dollar amount (purchase requisitions may be used for these expenditures), with the exception of facility and land leases.

"Labor intensive" is defined as items in which 50% or more of the costs are for labor costs. These items are distinguished in this Policy as they present more liability risks, are more variable in service expectations and performance, and may be more difficult cases in which to assign responsibility in dispute resolution procedures.

Examples of labor intensive items include; professional and technical services; facility construction; building and equipment maintenance; software licensing/maintenance agreements; equipment maintenance agreements; etc. While not labor intensive, facility and land leases also require contract documents as these transactions also benefit from formal understanding and require Board approval.

Examples of items that are not labor intensive include: purchase and installation of office furniture and equipment; carpeting; purchases of vehicles; purchases of fuel; etc.

BIDDING REQUIREMENTS:

State statutes and County Purchasing and Professional Services Policies govern all acquisition procedures, whether those acquisitions are accomplished by contractual documents or purchase requisitions. The requirements of those County policies are included in this policy by reference, but are not restated here.

STANDARD CONTRACT PROVISIONS

While the particulars of any contractual document may differ, the following are contract terms which should be contained in most contracts. Use it as a checklist in ensuring a complete understanding with the party with whom you propose to enter into a contractual agreement.

- * Scope of service to be provided
- * Responsibilities of County
- * Contract period
- * Contract amount and method of payment
- * Insurance requirements (see more detailed discussion in following section)
- * Relationship of parties (e.g., independent contractor)
- * Cancellation/termination provisions
- * Non-appropriation clause (for multi-year contracts)
- * Hold harmless/Indemnification clause
- * Non-assignment provision
- * Dispute resolution procedure
- * Entire agreement clause
- * Non-waiver of enforceability
- * Governing law identification
- * Signatures of all parties.

Sample wording of several standard contract clauses follow:

Relationship of parties:

Provider is an independent contractor of the County. Provider represents that he has or will secure, at his own expense, all personnel required in performing the services under this agreement.

Such personnel shall not be employees of or have any contractual relationship with the County. All personnel engaged in work under this agreement shall be fully qualified and shall be authorized or permitted under state and local law to perform such services. It is further agreed by Provider that he shall obey all state and federal statutes, rules, and regulations which are applicable to provisions of the services called for herein. Neither Provider nor any employee of the Provider shall be deemed an officer, employee, or agent of the County.

Non-Appropriation Clause:

Provider acknowledges that the County is a governmental entity, and the contract validity is based upon the availability of public

funding under its authority. In the event that public funds are unavailable and not appropriated for the performance of County's obligations under this contract, then this contract shall automatically expire without penalty to County after written notice to Provider of the unavailability and non-appropriation of public funds. It is expressly agreed that County shall not activate this non-appropriation provision for its convenience or to circumvent the requirements of this contract, but only as an emergency fiscal measure.

Hold Harmless/Indemnification Clause:

The Provider agrees to defend, indemnify, and hold harmless Yuma County from all Losses, liability, claims or expenses (Including reasonable attorney's fees) arising from bodily injury, including death or property damage, to any person or persons caused in whole or in part by the negligence or misconduct of the Provider, except to the extent same are caused by the negligence or willful misconduct of Yuma County. It is the intent of this section to require the Provider to indemnify Yuma County to the extent permitted under Arizona law.

Entire Agreement Clause:

The Provider and the county have read this agreement and agree to be bound by all of its terms, and further agree that it constitutes the entire agreement between the two parties and may only be modified by a written mutual agreement signed by the parties.

Non-Waiver of Enforceability:

Failure of the County to enforce, at any time, any of the provisions of this Agreement, or to request at any time performance by Provider of any of the provisions hereof, shall in no way be construed to be a waiver of such provisions, nor in any way affect the validity of this agreement or any part thereof, or the right of the County to enforce each and every provision.

Governing Law:

Both parties agree that this agreement shall be governed by the laws of the state of Arizona.

INSURANCE REQUIREMENTS

The County tries to control risks arising from the activities resulting from a business contract. Generally, we have the contractor provide liability insurance that covers the contractor and the County for all liabilities arising out of the contract. The insurance coverages that follow are recommended for each type of County contract. If the contractor does not meet the insurance requirements of these specifications, alternate insurance coverage satisfactory to Yuma County may be considered, as identified by the Chief Fiscal Officer.

Contractors shall include all subcontractors as insureds under its policies or shall furnish separate insurance certificates and

endorsements for each subcontractor.

The contractor shall furnish the County with certificates of insurance and with original endorsements. Failure by the contractor to provide proof of coverage will prevent the contract from being executed and failure to furnish proof of continued insurance coverage throughout the contract terms may result in cancellation of the contract.

To reduce the procedural burden of executing contracts, the Chief Fiscal Officer will maintain files of insurance certificates provided by contractors. Future contracts with contractors who have already provided insurance certificates will not require additional insurance documents, as long as the certificate dates are active.

YUMA COUNTY INSURANCE REQUIREMENTS

| <u>Contract Type</u> | <u>Professional Liability</u> | <u>General Liability</u> | <u>Workers Comp</u> | <u>Auto</u> |
|-------------------------------|-------------------------------|--------------------------|---------------------|-----------------------|
| Professional Services: | | | | |
| Medical | \$1m/\$2m** | \$2m/\$2m** | \$1m | \$100k/\$300/\$100k* |
| Mgt. Const/ Trainers | 0 | 0 | 0 | 0 |
| Architects, Planners | 10X Cont. | 10X Cont. | \$500k | \$100k/\$300k/\$100k* |
| Engineers: | | | | |
| Load-bearing | \$1m/\$2m** | \$2m/\$2m** | \$500k | \$100k/\$300k/\$100k* |
| Non-Load bearing | 10x Cont. | 10X Cont. | \$500k | \$100k/\$300k/\$100k* |
| Other Prof. | \$1m/\$2m | \$1m/\$2m | \$500k | \$100k/\$300k/\$100k* |
| Technical | | | | |
| Low Risk | 0 | 10X Cont. | \$500k | \$100k/\$300k/\$100k* |
| Med. Risk | 0 | \$1m/\$2m** | \$500k | \$100k/\$300k/\$100k* |
| High Risk | 0 | \$2m/\$2m** | \$1m | \$500k/\$1m/\$500k* |
| Gen. Cont. | 0 | 25X Cont. | \$500k | \$100k/\$300k/\$100k* |
| Maint./Repair Construction | | | | |
| Low Risk | 0 | 10X Cont. | \$500k | \$100k/\$300k/\$100k* |
| Med. Risk | 0 | 25X Cont. | \$500k | \$100k/\$300k/\$100k* |
| High Risk | 0 | 50X Cont. | \$1m | \$100k/\$300k/\$100K* |
| Landlords | 0 | \$1m/\$1m** | 0 | 0 |
| Emp Agencies | 0 | 0 | \$500k | 0 |

* Per person/per accident/property

damage

** Per occurrence/aggregate

CONTRACT REVIEW PROCESS

The contract review process is intended to ensure that all contracts comply with all legal, fiscal, and insurance requirements established by Federal or State government or by County policy. To accomplish this, each contract subject to this Policy is reviewed by the Finance Department, Chief Fiscal Officer, and County Attorney. For contracts requiring Board action, reviews by the County Administrator and Board of Supervisors are also required. To facilitate this review, a Contract Control Form has been devised (see attached page). The top portion of this form should be completed for each applicable contract by the requesting Agency and sent to Finance with the original contract. The subsequent reviews should be performed in sequence, as outlined on the Contract Control Form. After the review is completed, a copy of the contract will be maintained in the Board of Supervisors' Office and the original will be returned to the requesting Agency. A copy of the Contract Control Form will be maintained in the Board of Supervisors' Office for reference purposes.

**Contract Control Policy Approved by the Board of Supervisors on
JANUARY 06, 1997**

Yuma County Contract Control Form

Contractor: _____ Beginning End
 Contract Description: _____ Contract Period: _____

Initiator: _____ Initiating Agency: _____

| | | |
|----------------------|------------------------|-----------------|
| <u>Contract Type</u> | <u>Contract Status</u> | <u>Contract</u> |
| ___ Construction | ___ New contract | <u>Account</u> |

| | | |
|---------------------------|-------------------|----------------|
| ___ Services | ___ Amendment of: | <u>Code(s)</u> |
| ___ Grant (Co as Grantor) | ___ Amount | <u>Amount</u> |
| ___ Grant (Co as Grantee) | ___ Scope Only | |
| ___ Intergovernmental | ___ Term | |
| ___ Agreement | | |
| ___ Real Estate Trans | ___ Change Order | |
| ___ Lease (Co as Lessor) | #: | |
| ___ Lease (Co as Lessee) | | |

FI

NANCE REVIEW:

| | |
|---|-----------------|
| ___ Budget revision required | Comments: |
| ___ Sufficient unencumbered funds available | |
| ___ Bidding requirements followed | Signature/Date: |

CO

UNTY ATTORNEY REVIEW:

| | |
|-----------------------------|-----------------|
| ___ Approved as to form | Comments: |
| ___ Board approval required | Signature/Date: |

RI

SK MANAGEMENT REVIEW (CHIEF FISCAL OFFICER):

| | |
|---|-----------------|
| ___ Meets insurance requirements | Comments: |
| ___ Alternate insurance requirements approved | |
| ___ Insurance certificate on file | Signature/Date: |

CO

UNTY ADMINISTRATOR REVIEW: (Only when Board approval required)

| | |
|---------------------------------|-----------------|
| ___ Recommend Board approval | Comments: |
| ___ Recommend Board Disapproval | Signature/Date: |

BOARD OF SUPERVISORS REVIEW (If applicable):

| | |
|------------------------------------|--------------------------------|
| ___ Approved as presented | Board meeting date: |
| ___ Approved as amended (specify): | |
| ___ Disapproved | Clerk of Board Signature/Date: |

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