

PURCHASING CONTRACTS & INSURANCE

A

B

C

D

E

WHAT IS A CONTRACT?

A legally binding agreement between two or more parties.

Key Elements:

- An Offer (I'll mow your lawn on Saturday if you pay me \$40)
- An Acceptance (You've got a deal)
- Mutual Consideration (the value received and given - \$40 and lawn mowed)
- Legality

WHY DO WE NEED CONTRACTS?

- ❑ To define the promises made to each party.
- ❑ To protect the rights of both parties.
- ❑ To ensure the vendor performs the services promised and is paid for it.
- ❑ To provide options for recourse if one party does not fulfill their promises.
- ❑ To keep the District in compliance. Failure to have contracts to justify a business purpose is subject to an audit finding.

WHAT TYPES OF CONTRACTS DO WE HAVE?

- 1 **ICA** | Independent Contractor Agreement
- 2 **PSA** | Professional Services Agreement
- 3 **PWA** | Public Works Agreement
- 4 **SOA** | Sports Officiating Agreement
- 5 **WAIVER** | Waiver of Liability

PSA vs ICA



PSA
Brain Work

Types of Work:
Professional Consulting , Training, Medical, Creating
Marketing Materials, - Requires specialized training or
licenses to render services.

■ **WORK IS INTELLECTUAL IN NATURE.**



ICA
Muscle Work

Types of Work:
Repairs, Maintenance, Serving Food, Pest Control,
Furniture Moving, Transportation.

■ **WORK IS PHYSICAL IN NATURE.**

OTHER CONTRACTS

Public Works Agreement (PWA)

USE FOR PUBLIC WORKS Per PCC 22002 Any construction, reconstruction, alteration, renovation, improvement, demolition, and repair work involving any publicly owned, leased, or operated facility, any public structure, building, road or other public improvement of any kind. Painting or repainting of any publicly owned, leased, or operated facility.

- ❖ If the work is routine or recurring for the preservation of the equipment or facility, this is considered maintenance and not Public Works – Use ICA

OTHER CONTRACTS

Sports Officiating Agreement (SOA)

Referees or Timekeepers for athletic games.

Waiver of Liability Non- Volunteer

Speakers, Workshops, Performers. These agreements are made with individuals or a small group for a fee. Typically for short periods of time like a few hours to a few days.

Waiver of Liability Volunteer

Same as above but no fees will be charged to the District.

**DO NOT USE WAIVER AGREEMENTS FOR WORK THAT IS ONLY
USE ICA/PSA/PWA/SOA**

What if the Vendor requests to use their Contract template?



What if the Vendor requests to revise the District's Contract?



Who can sign Contracts on behalf of the District?



For guidance, refer to:

Purchasing Approval Matrix



VP of Admin. Services

Authority up to \$39,450.00.



College President

Authority up to bid limit.
(\$99,100) for 2022



Over bid limit, BOT Approval

- Chancellor
- Vice Chancellor of Administrative Services



Use latest versions:
September 2022

I STILL DON'T GET IT.

PURCHASE OF SERVICES CHART OF REQUIRED DOCUMENTS

Refer to this chart for further
guidance. Located in the Purchasing
Toolbox



CONTACT PURCHASING

When you don't get it...
Ask for help!

INSURANCE

Why Bother?

Requesting, obtaining, and verifying insurance for contracted goods and services takes time, can be aggravating, and most often doesn't seem to make any difference, since most contracts are completed without incident.

However, when an incident occurs, all of those efforts become worth it. Public entities and businesses have saved millions of dollars by successfully tendering claims or suits arising from contracted goods or services

INSURANCE REQUIREMENTS (ICA & PWA)

TYPES OF COVERAGE

Commercial General Liability

1

Minimum Limits: \$1 million per occurrence/ \$2 million aggregate

- ❑ Covers property damage & bodily and personal injury

Auto Liability

2

Minimum Limits: \$1 million per occurrence

- ❑ Covers auto related injuries & accidents

Worker's Comp

3

Limits required by Law: typically \$1 million per occurrence

- ❑ Covers the Vendor's employee injuries

INSURANCE REQUIREMENTS (PSA) TYPES OF COVERAGE

Requires all of the previous coverages plus:

4

Professional Liability

Also known as Errors & Omissions

Minimum Limits: \$1 million per claim / \$ 2 million aggregate

- ❑ Covers for damages such as negligence, copyright infringement, personal injury, incorrect advice and more.

And maybe:

5

Cyber Liability

Limits not less than \$ 1 million per occurrence or claim/ \$ 5 million aggregate.

- ❑ Covers for data breaches, required for vendors accessing (PII) Personally Identifiable Information

SAMPLE COI

Carrier Name

Vendor Name

General Liability

Auto Liability

Worker's Comp

Professional Liability

Cyber Liability



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTRACT NAME	FAX
	POLICY No. Ext:	A/C No.:
INSURED	INSURER(S) AFFORDING COVERAGE	NAIC #
	INSURER A:	
	INSURER B:	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY RAID CLAIMS.

INSR. LTR.	TYPE OF INSURANCE	ADOL. BODILY INJ. (M/D)	POLICY NUMBER	POLICY EFF. (MM/DD/YYYY)	POLICY EXP. (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY <input type="checkbox"/> PER <input type="checkbox"/> SECT <input type="checkbox"/> LOC OTHER:					EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ex. contractors) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> UNLICENSED AUTOS					COMBINED SINGLE LIMIT (Ex. accidents) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAIS <input type="checkbox"/> EXCESS LIAIS <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE					EACH OCCURRENCE \$ AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUSION? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	<input type="checkbox"/> Y <input type="checkbox"/> N <input type="checkbox"/> N/A				PER STATUTE <input type="checkbox"/> OTHER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - SA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Policy #

Term

Limits

CERTIFICATE HOLDER	CANCELLATION
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE

SAMPLE COI

Description of Operations:

San Jose Evergreen Community College District, its trustees, officers, agents, employees, and volunteers, individually and collectively, are named as additional insureds on general liability policy as per attached endorsement.

Certificate Holder:

San Jose Evergreen Community College District
40 South Market St.
San Jose, CA 95113



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER	CONTACT NAME:		FAX:	
	PHONE, Ext:		A/C No.:	
	E-MAIL:			
	ADDRESS:			
		INSURER(S) AFFORDING COVERAGE:		NAIC #
INSURED	INSURER A:			
	INSURER B:			
	INSURER C:			
	INSURER D:			
	INSURER E:			
	INSURER F:			

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADOL. BDR (REQ)	INDV (REQ)	POLICY NUMBER	POLICY EFF. DATE (MM/DD/YYYY)	POLICY EXP. DATE (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PER OCC <input type="checkbox"/> LOC OTHER: _____ AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> UNOWNED AUTOS UMBRELLA LIMS <input type="checkbox"/> EXCESS LIMS <input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> DED <input type="checkbox"/> RETENTIONS WORKERS COMPENSATION AND EMPLOYERS' LIABILITY <input type="checkbox"/> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICERS/INSUR EXCLUSION (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ex endorsement) \$ MED EXP (Per auto person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ COMBINED SINGLE LIMIT (Ex accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ EACH OCCURRENCE \$ AGGREGATE \$ PER STATUTE <input type="checkbox"/> OTHER <input type="checkbox"/>
	DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)						E.L. EACH ACCIDENT \$ E.L. DISEASE - SA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER	CANCELLATION
	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

SAMPLE COI



IMPORTANT!!!

THE COI ACORD PAGE ALONE IS NOT SUFFICIENT.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
10/18/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION IS WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

SAMPLE ENDORSEMENT PAGES

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 10 04 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – SCHEDULED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions, or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law, and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

POLICY NUMBER:

COMMERCIAL GENERAL LIABILITY
CG 20 37 07 04

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):	Location And Description Of Completed Operations

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the schedule of this endorsement performed for the additional insured and included in the "products-completed operations hazard".

INSURANCE BEST PRACTICES



IMPORTANT Give yourself ample time to prepare a contract and collect the required documentation. Do not wait until the last minute! The vendor cannot begin work until a contract and insurance is in place.

Don't be hesitant . Your vendor might not understand what documentation you are requesting. Your vendor's insurance provider should understand. Insurance providers produce Certificate of Insurance (COI) and Additional Insured (AI) Endorsement requests every day.



Call your vendor's attention to the Insurance Requirements in the agreement. That's where the exact insurance language is.

What is needed for a Requisition?

Quote or Proposal

How much does it cost and what are they doing?

- **Quote** – valid within 30 days – cost for goods or supplies
- **Proposal** – Outlines scope of work and cost – usually for services.

Contract

Is there some form of Agreement?

Typically needed for services. Always request to use the District's contract templates first. **ICA/PSA/PWA/SOA/Waiver**
The Vendor's contract template must be approved by Legal Review and VCAS.

COI

Do we need Insurance?

The vendor is coming on campus to perform work.
The vendor is giving advice such as consulting or training.
Remote vendors may still need insurance.

What is needed for a Requisition?

Required Forms

For new vendors or to update old records of existing vendors

- **W9** - Certifies the identity of the vendor. Business Name, Structure, Address, and Taxpayer Identification Number.
- **BEC** – Business Enterprise Certification. Questionnaire for vendor to report their demographic information. Used to track the District's Outreach goals.

Budget

Ensure you have enough budget for your purchase. Use ACBL to confirm budget.

QUESTIONS?

