Insurance and Bond Requirements

The Contractor shall purchase, provide and maintain, at its own expense, such insurance and bonds indicated in the table below. Minimum limits may be met by a combination of underlying and umbrella insurance policies.

- [x] Commercial General Liability
- [x] Automotive Liability
- [ ] Umbrella Excess Liability
- [ ] Professional Liability
- [x] Workers Compensation & Employer's Liability
- [ ] Builder's Risk
- [ ] Cybersecurity
- [ ] Other Insurance
- [x] Bid Bond – 5% of base bid
- [ ] Bid Bond – 5% of the first year's bond amount as identified in the specification
- [x] Payment Bond
- [x] Performance Bond
- [ ] Crime and Fidelity

Proof of such insurance shall be furnished to Olmsted County prior to the commencement of any work and shall be maintained throughout the life of this contract and shall be evidenced by the carrier's certificates, filed with the County.

The Contractor shall supply the County with a list of subcontractors and shall verify and take responsibility for the subcontractor's proof of insurance.

Insurance shall be in force the first day of the Contract.

Insurance shall not be canceled, limited in scope of coverage or non-renewed until after thirty (30) days written notice has been given to: Olmsted County Purchasing

It is agreed that any insurance maintained by the County will not contribute with insurance provided by this policy.

The Contractor shall not commence work until the Contractor has obtained required insurance and Contractor where labor and material is involved, filed an acceptable certificate of insurance with the County. All insurance policies shall be open to inspection by the County, and copies of policies shall be submitted to the County upon written request. Olmsted County shall be added as an additional insured on the commercial general liability and automobile liability policies. The insurance certificate shall specify "Olmsted County" and the contract name and number.

Commercial General Liability

A single or combined limit occurrence based general liability insurance policy which shall include a broad form comprehensive liability endorsement and a contractual endorsement, which shall include the following coverages at a minimum:

$1,000,000 per occurrence

$2,000,000 aggregate

Automobile Liability

A single or combined limit auto liability insurance policy for all owned, non-owned and hired vehicles, if any, using the provision of services under this contract, which shall include the following coverages at a minimum:

$1,000,000 per occurrence

Umbrella

$1,000,000 each occurrence/aggregate*

*(may require higher limit for certain jobs)

Professional Liability

Negligent Acts, Errors, and Omissions $1,000,000

Minimum limits may be met by a combination of underlying and umbrella insurance policies.

Worker's Compensation and Employer's Liability Insurance

Contractor shall procure and maintain a policy that at least meets Minnesota statutory minimum and is covered for work in Minnesota.

The above subparagraphs establish minimum insurance requirements, and it is the sole responsibility of the Contractor to purchase and maintain additional insurance that may be necessary in connection with this contract.

Builder’s Risk Insurance

The Contractor shall purchase and maintain, from an insurance company or insurance companies lawfully authorized to issue insurance in the jurisdiction where the Project is located, property insurance written on a builder's risk “all-risks” completed value or equivalent policy form and sufficient to cover the total value of the entire Project on a replacement cost basis with a maximum deductible of $25,000. The Contractor’s property insurance coverage shall be no less than the

amount of the initial Contract Sum, plus the value of subsequent Modifications and labor performed and materials or equipment supplied by others. The property insurance shall be maintained until Substantial Completion unless otherwise provided in the Contract Documents or otherwise agreed in writing by the parties to this Agreement. This insurance shall include the interests of the Owner, Contractor, Subcontractors, and Sub-subcontractors of all tiers in the Project as insureds. This insurance shall include the interests of mortgagees, if any, as loss payees. The Contractor shall provide Owner with a copy of this policy before beginning its Work.

The insurance required shall provide coverage for direct physical loss or damage, and shall not exclude the risks of fire, explosion, theft, vandalism, malicious mischief, collapse, earthquake, flood, or windstorm. The insurance shall also provide coverage for ensuing loss or resulting damage from error, omission, or deficiency in construction methods, design, specifications, workmanship, or materials.

The insurance required shall provide coverage for loss or damage to falsework and other temporary structures, and to building systems from testing and startup. The insurance shall also cover debris removal, including demolition occasioned by enforcement of any applicable legal requirements, and reasonable compensation for the Architect's and Contractor's services and expenses required as a result of such insured loss, including claim preparation expenses. Property insurance provided by the Contractor shall not cover any tools, apparatus, machinery, scaffolding, hoists, forms, staging, shoring, and other similar items commonly referred to as construction equipment that may be on the site and the capital value of which is not included in the Work. The Contractor shall make its own arrangements for any insurance it may require on such construction equipment which shall not be considered a cost of the work.

Cybersecurity Requirements

Applicable Contractors. These requirements shall only apply to contractors who hold private, confidential, non-public or protected non-public County data as defined by the Minnesota Government Data Practices Act or other applicable state or federal law as part of its duties pursuant to this agreement. These requirements do not apply to Contractor's private data which it has created independent of the data which it holds for the County pursuant to this agreement.

Obligation to protect "County Data" from unauthorized access. Contractor shall take all commercially reasonable and prudent measures to help insure that all private, confidential, non-public or protected non-public County data is protected at all times from unauthorized access, use or misuse, damage or destruction by any third party.

Notification requirements for "Cyber Incidents".

1) If Contractor becomes aware of an actual or suspected "Cyber Incident", Contractor must notify the County in writing within 24 hours of becoming aware of that incident.

2) A Cyber Incident is defined as "any actual or suspected action by persons or organizations through the use of computer networks that result in unauthorized access, use or misuse, damage or destruction to private, confidential, non-public or protected non-public data created and/or maintained by Olmsted County."

3) Contractor must comply with any directions issued by the County relating to the Cyber Incident including investigating how, when and by whom its electronic information systems and the relevant data have been compromised. Contractor shall provide a written investigation report to County within a reasonable time set by the County in writing following the Cyber Incident. The report shall contain the evidence collected during Contractor's investigation, and any conclusions which Contractor reached about how unauthorized access to the County's data occurred and how similar Cyber Incidents may be prevented from reoccurring in the future.

4) Contractor shall also work with the County as requested to notify any persons or organizations whose data has been accessed without authorization and to notify third parties such as consumer credit reporting agencies or state or federal government agencies of the unauthorized data access as required by law.

Cyber Liability Insurance Requirement - Contractors that are subject to the County's cyber security requirements shall obtain and maintain a cyber liability insurance policy to protect against the risks of a Cyber Incident. The cyber liability insurance policy shall contain a $1,000,000 policy limit as well as the following coverages:

1) First-party coverages which pay expenses the County may directly incur as result of the breach, such as the cost of informing members of the public whom the County serves about a Cyber Incident. These coverages should include the following if available:

- Loss or Damage to Electronic Data - Covers the cost to replace or restore electronic data or programs damaged, destroyed or stolen in a data breach, whether the data belongs to the County, the Contractor or a third party. Losses must result from a covered peril such as a Cyber Incident, a virus, or a denial of service attack. Policies may also cover the cost of hiring experts or consultants to help preserve or reconstruct data.
- Loss of Income and Extra Expenses - Covers income losses the County suffers and extra expenses the County incurs to avoid or minimize a shutdown of the County's services after the Contractor's computer system is breached due a covered peril. Some policies also cover dependent income losses. These are income losses the County sustains when its network provider's system has also been breached.
- Cyber Extortion - Applies when a hacker breaks into the Contractor's computer system and threatens to commit an illegal act like damaging the County's data, introducing a virus, initiating a denial of service attack, or releasing confidential data unless the County pays a specified sum. Coverage typically extends to any extortion payment the County makes and expenses the County incurs in responding to the demand.
- Notification Costs - Covers the cost of notifying parties (voluntarily or as required by law) affected by a Cyber Incident. May also cover the cost of providing credit monitoring services and establishing a call center if needed.
- Damage to the County's Reputation - Some policies cover costs the County incurs for marketing and public relations to protect the County's reputation following a Cyber Incident. This coverage may also be called Crisis Management.

2) Third-party coverages apply to claims against the County by people or companies that have been injured as a result of the Contractor's actions or failure to act to properly protect the County's data. For instance, a County client sues the County for negligence after a hacker steals the client's private data from the Contractor's computer system and releases it online. These coverages should include the following if available:

- Claims-Made Coverage - The liability coverages afforded by a cyber policy are usually claims-made. Coverage typically applies to damages or settlements that result from covered claims as well as the cost of the County's defense. Defense costs may reduce the limit of insurance. A cyber liability policy may include a retention, an amount the Contractor must pay before the insurer will make a payment.
- Network Security and Privacy Liability - Covers claims against the County for negligent acts, errors or omissions that result in a denial of service attack, unauthorized access, introduction of a virus, or other security breach of the Contractor's computer system. Also covers claims alleging Contractor failed to properly protect sensitive County data stored on its computer system.
- Electronic Media Liability - Electronic media liability insurance covers lawsuits against the County for acts like libel, slander, defamation, copyright infringement, invasion of privacy or

domain name infringement while the Contractor is holding the County's data pursuant to this agreement. Generally, these acts are covered only if they result from the Contractor's publication of the County's electronic data on the Internet.
- Regulatory Proceedings - Covers fines or penalties imposed on the County by regulatory agencies that oversee data breach laws. Also covers the cost of hiring an attorney to assist in the County's response to a regulatory proceeding if needed.

3) Contractors who will have access to or provide maintenance for the County's IT network or Computer Systems have added cyber liability exposure as a result. In addition to the requirements set forth in 1) and 2) above, contractors who fall into this classification shall be subject to the following additional requirements:

- Contractor shall maintain Network Security and Privacy Liability Insurance and Technology Errors and Omissions Insurance in an amount not less than $2,000,000 per occurrence which shall be sufficiently broad to respond to the duties and obligations undertaken by the Contractor in this Agreement.
- This shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, cloud computing, extortion and network security.
- The coverage shall provide for breach response costs as well as regulatory fines and penalties and credit monitoring expenses.
- Such insurance shall be maintained in force at all times during the term of this Agreement and for a period of two years thereafter for services completed during the term of this Agreement.

4) If Contractor hires subcontractors to carry out contractual duties to the County, those subcontractors shall provide proof of cyber liability insurance equivalent to the insurance coverage provided by Contractor.

5) Contractor shall provide the County with a Certificate of Cyber Liability Insurance listing all coverages. Most cyber liability insurance policies do not currently provide for additional insured coverage to be extended directly to the County, and so additional insured coverage for the County is not currently a requirement for this agreement. However, since cyber related claims brought against the Contractor arising from holding the County's data can still seriously threaten the ability of Contractor to complete its obligations pursuant to this agreement, the County still requires Contractor to carry its own cyber liability insurance so that it will have resources to defend itself against cyber claims and carry out its indemnification obligations to the County.

6) Contractor shall comply with all requirements of the cyber liability insurance policy.

7) Contractor's policy shall not be cancelled without providing 10 days written notice to the County.

Bid Security

When required, the amount of the bid security shall be 5% of the base bid and shall be in the form of a bid bond naming Olmsted County as obligee written by a corporate surety satisfactory to Olmsted County pledging that the Bidder will enter in a contract with the County on terms stated in the bid and will, if required, furnish bonds as described hereunder covering the faithful performance of the contract and the payment of all obligations arising thereunder. Should the Bidder refuse to enter into such contract or fail to furnish such bonds if required, the amount of the bid security shall be forfeited to the County as liquidated damages, not as a penalty.

The County shall have the right to retain the bid security of Bidders to whom an award is being considered until either (a) the contract has been executed and bonds, if required, have been furnished, or (b) the specified time has elapsed so that bids may be withdrawn, or (c) all bids have been rejected.

Payment and Performance Bonds

Per Minnesota State Statute 574.26 Subd. 2 and Minnesota State Statute 471.345 Subd. 3, if the awarded contract is more than $175,000, the successful Bidder shall be required to furnish payment and performance bonds in the amount equal to the total amount of the contract. The bond shall be written on an Olmsted County Bond Form. This bond form is the only acceptable bond form and must be issued from a reliable surety company licensed to do business in Minnesota and be acceptable to the County. This bond shall remain in effect for the duration of the contract. When required, the Performance/Payment bond shall be furnished within fifteen (15) calendar days from date of notification of award.

If the contract awarded does not have a defined contract amount the county will require annual, renewable bonds. The first year's bond amount is specified in the technical specification document. This amount will be adjusted in future annual terms based on the previous year's total contract amount and the anticipated future spend on the contract. If a Surety does not renew a contractor's bond, the contractor will be required to furnish a new bond to be in compliance with the contract requirements.

Crime and Fidelity

The County requires the depository institution to carry a Commercial Crime Insurance or Fidelity Bond policy in an amount not less than $3 million, covering loss or theft of public funds due to employee dishonesty, fraud, forgery, wire transfer manipulation, cybercrime, or theft in transit.

The County shall be named as a loss payee on this policy. A current certificate of insurance shall be provided annually or upon any change to coverage or carrier. Coverage limits shall be subject to periodic review and may be adjusted based on account activity and risk exposure.