

MEMORANDUM

Date: April 18, 2006
To: David Mounts, WSDOT – H&LP
From: APWA Division 1 Subcommittee
Subject: Proposed Local Agency GSPs

The APWA Div 1 Subcommittee respectfully requests that the attached Local Agency GSPs be considered for approval to be used on FHWA-funded projects. We also request that these GSPs be posted on the website as soon as practicable, without waiting for FHWA approval, to allow Local Agencies access to them, with the added text “May not be used on FHWA-funded projects.”

The question on insurance coverage has been raised on a regular basis within the subcommittee. We hear from agencies across the State that the coverage is too much, not enough, isn't applicable to small projects, not the same that their risk manager requires etc. Creating something that would satisfy the majority of the agencies would have to leave some options open. To address this challenge, we divided the insurance specification into a base GSP, to be used on all projects big and small; and then created auxiliary GSPs to meet specific needs of projects. The need for increased limits on large projects was met through a separate GSP requiring Excess/Umbrella insurance, with a fill-in for \$ limits.

An initial draft was prepared by Gretchen Johnson, Peter Camp, and Eric Larson (WA Cities Insurance Authority) and sent to the entire subcommittee mailing list, asking for input from each agency's risk managers/attorneys. Many agencies contributed comments. A separate Task-Force was formed consisting of:

- Eric Larson, Deputy Director, WA Cities Insurance Authority;
- William Vaughn, Risk Management Division, City of Seattle;
- Scott Moss, Risk Manager, City of Vancouver;
- Glenn Sugiyama, Risk Manager, City of Redmond;
- Jeffrey Skeels, Account Executive, Parker, Smith, and Feek;
- Peter Camp, Assistant City Attorney, City of Everett; and
- Gretchen Johnson, Contract Specialist, KBA

This Task Force lent their valuable time and formidable expertise to the issue. They addressed the comments from other agencies, added their own comments and traded ideas, and developed a final draft for the committee to consider. (Having an insurance broker for Contractors on the Task Force greatly facilitated the decision-making, as Jeff could provide feedback on what insurance was actually available, and what was not, etc. Particular thanks also goes out to Eric Larson, who was endlessly helpful in providing background, research, and input on behalf of the hundred+ agencies he represents.) The result of this effort is the attached series of GSPs. These are important GSPs, and the subcommittee feels strongly that they will serve as a good standard that provides protection for the agency while being realistic enough to keep bid prices reasonable.

We greatly appreciate your time and commitment to our subcommittee.

If you have any questions or need additional information, please don't hesitate to contact me at (253) 591-5787, or via e-mail at knelson@cityoftacoma.org

Sincerely,

A handwritten signature in black ink, appearing to read "Kristina B. Nelson". The signature is written in a cursive style with a large initial "K".

Kristina B. Nelson
Chair, APWA Div 1 Subcommittee

c: APWA Div 1 Subcommittee Members