

SECTION 1.03
AWARD AND EXECUTION OF CONTRACT

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1.03.01—Consideration of Bids: See Article 1.02.01.

1.03.02—Award and Execution of Contract: Except as otherwise authorized by the Commissioner, all contracts will be awarded and executed in accordance with the order of the Commissioner. The award, if made, will be made within 60 days after the opening of the proposals unless otherwise agreed upon by the Commissioner, the successful bidder, and the surety. The successful bidder, upon receipt of notice from the Department that the contract is ready for execution, shall, at the time and place designated in said notice, be present in person or be represented by an official legally authorized to sign the Contract, and shall there and then sign the necessary Project contract with the State. No proposal shall be considered binding upon the State until the proper execution of the Contract by both parties.

1.03.03—Return of Proposal Guaranty: All proposal guaranties will be returned within 3 calendar days following the award of the Contract. Ten calendar days after the opening of the proposals, all guaranties, except those of the 3 lowest bidders, will be returned. Should no award be made within 60 calendar days after the opening of proposals, the Commissioner may reject all proposals and return the proposal guaranties, except that with the approval of the lowest bidder and its surety, the Commissioner may extend the time for the award and may retain the proposal and proposal guaranty of the lowest bidder for said extended time, or for any other period of time agreed upon by the Commissioner, bidder and surety.

1.03.04—Requirements of Performance Contract Bond and Payment Bond: See Article 1.02.01.

In conformance with Section 49-41a of the Connecticut General Statutes, as revised, the Contractor (1) shall, within 30 days after any given Contract payment to the Contractor by the State, pay any amounts due any subcontractor, whether for labor performed or materials furnished, when charges for such labor or materials have been included in a payment estimate paid by the State; (2) and shall include in each of its subcontracts a provision requiring each subcontractor to pay any amounts due any of its subcontractors on the Project, whether for labor performed or materials furnished, within 30 days after such subcontractor receives a payment from the Contractor which encompasses labor or materials furnished by such subcontractor for the Project.

If the Contractor believes that it has a valid reason for withholding payment for particular work or materials from a subcontractor or supplier, then the Contractor, within 30 days of receiving payment from the State for that work or materials, shall notify the subcontractor or supplier and the Department of its reasons for withholding payment.

1.03.05—Vacant

1.03.06—Failure to Execute Contract: See Article 1.02.01.

1.03.07—Insurance: Before the Contract is executed, the Contractor must file with the Commissioner a certificate of insurance, executed by an insurance company satisfactory to the Commissioner, on the form provided by the Department, stating that with respect to the Contract, the Contractor carries insurance at least in accordance with the requirements and stipulations listed below. State of Connecticut, Department of Transportation, Form Number CON-32 entitled "CERTIFICATE OF INSURANCE" shall be the only acceptable form to be used by the Contractor as evidence of required insurance coverage. Continuance of the required insurance during the entire term of the Contract shall be the responsibility of the Contractor and is a condition of the Contract.

The Contractor and its insurer may not assert the defense of sovereign immunity in the adjustment of claims or in the defense of any claim or suit brought against the Contractor or the State, unless the State, in writing, requests it to do so or consents to its doing so. The Contractor shall assume and pay all costs and billings for premiums and audit charges earned and payable under the required insurance.

The State must be named as an additional insured party for the insurance required under paragraphs 2, 3, and 6 stipulated below. In the event that the Contractor secures Excess/Umbrella Liability Insurance to

meet the minimum requirements specified in paragraph 2, 3, or 6 below, the State shall be named as an additional insured.

1. Worker's Compensation Insurance: With respect to all operations the Contractor performs and all those performed for it by subcontractors, the Contractor and each such subcontractor shall carry Workers' Compensation Insurance in accordance with the requirements of State law. Each such contractor's Workers' Compensation policy shall contain the U.S. Longshoreman's and Harbor Workers' Act endorsement when work is to be performed over or adjacent to a navigable water.

2. Commercial General Liability Insurance: With respect to the operations it performs and also those performed for it by subcontractors, the Contractor shall carry commercial general liability insurance, including Contractual Liability Insurance, which shall provide coverage of at least \$1,000,000 for each accident or occurrence resulting in damages from (1) bodily injury to or death of persons and/or (2) injury to or destruction of property. Subject to that limit per accident or occurrence, the policy shall provide a total or aggregate coverage of at least \$2,000,000 for all pertinent damages arising during the policy period.

3. Automobile Liability Insurance: The Contractor shall obtain automobile liability insurance covering the operation of all motor vehicles, including those hired or borrowed, that are used in connection with the Project; said insurance shall provide coverage of at least \$1,000,000 for each accident or occurrence resulting in damages from (1) bodily injury to or death of persons and/or (2) injury to or destruction of property. If an insurance policy shows an aggregate limit as part of the automobile liability coverage, the aggregate limit must be at least \$2,000,000.

4. Owner's and Contractor's Protective Liability Insurance for and in the Name of the State: With respect to the Contractor's Project operations and also those of its subcontractors, the Contractor shall carry, for and on behalf of the State, insurance which shall provide coverage of at least \$2,000,000 for each accident or occurrence resulting in damages from (1) bodily injury to or death of persons and/or (2) injury to or destruction of property. Subject to that limit per accident or occurrence, the policy shall provide an aggregate coverage of at least \$2,000,000 for all pertinent damages arising during the policy period.

5. Railroad Protective Liability Insurance: When the Contract involves work on, over or under the right-of-way of any railroad company, the Contractor shall carry, with respect to its Project operations and also those of its subcontractors, Railroad Protective Liability Insurance for, and on behalf of, the railroad company as named insured and the State as additional insured, providing coverage of at least ~~\$1,000,000~~ **\$2,000,000** for each accident or occurrence resulting in damages from (1) bodily injury to or death of all persons and/or (2) injury to or destruction of property. Subject to that limit per accident or occurrence, the policy shall provide an aggregate coverage of at least \$6,000,000 for all damages during the policy period.

6. Blasting: When explosives are to be used for the Project, the insurance required under paragraphs 2, 4 and 5 above shall also contain provisions for protection, in the amounts stated, against damage claims regarding such use of explosives.

7. Termination or Change of Insurance: Each insurance policy required by this Article must be endorsed to provide that the insurance company shall notify the Department by certified mail at least 30 days in advance of the termination or any alteration of the terms of the policy. No such change shall be made without the prior written approval of the Commissioner.

The Contractor shall keep all the required insurance in continuous effect until the date that the Department designates for the termination of the Contractor's responsibility, as determined under Article 1.08.13.

8. Claims: Each insurance policy required by this Article must state that the insurance company shall agree to investigate and defend the insured parties, at the insurer's expense, against all claims for damages, even if groundless.

9. Compensation: There shall be no direct compensation allowed the Contractor on account of any premium or other charge necessary to obtain and keep in effect any insurance or bonds in connection with the Project, but the cost thereof shall be considered included in the general cost of the Project work.

10. Protection and Indemnity Insurance for Marine Construction Operations in Navigable Waters: If a vessel of any kind will be involved in Project work, the Contractor shall obtain the following additional insurance coverage:

- A. Protection and Indemnity Coverage of at least \$300,000 per vessel or equal to at least the value of hull and machinery, whichever is greater.
- B. If there is any limitation or exclusion with regard to crew and employees under the protection and indemnity form, the Contractor must obtain and keep in effect throughout the Project a workers' compensation policy, including coverage for operations under admiralty jurisdiction, with a limit of liability of at least \$300,000 per accident or a limit equal to at least the value of the hull and

machinery, whichever is greater, or for any amount otherwise required by statute.

1.03.08—Notice to Proceed and Commencement of Work: The Contractor shall commence and proceed with the Contract work on the date specified in a written Notice to Proceed issued by the Engineer to the Contractor. The date specified will be no later than 45 calendar days after the date of the execution of the Contract by the Department, except that if the expiration of said 45 calendar days occurs during the period between November 30 and April 1 of the following year, the Engineer may specify that the April 1 following said expiration shall be the date for the Contractor to proceed with the work.

If the Engineer does not issue a Notice to Proceed to the Contractor within the said 45 calendar days, the Contractor shall have the option of canceling the Contract and its payment and performance bonds for the Project. Any failure by the Department to issue a notice to proceed, or to issue one on a timely basis, shall not, however, constitute a breach of the Contract. Neither the Contractor nor any other party may use such a failure as a basis for any claim against the Department for damages.

The Contractor shall not begin physical Project construction prior to the date specified for same by the Engineer in the Notice to Proceed, except as may be otherwise authorized by the Engineer in writing.