



**Supplemental General Conditions for the Puerto Rico
Electric Power Authority Owner Controlled Insurance
Program (OCIP)**

Architects & Engineers

Supplemental General Conditions for the Puerto Rico Electric Power Authority Owner Controlled Insurance Program (OCIP) Professional Services Agreement

1. Introduction

The Puerto Rico Electric Power Authority (PREPA) has implemented an Owner Controlled Insurance Program (OCIP) for eligible Architects and Engineers (Consultant) of every tier enrolled in the OCIP and performing work at the project site. The Consultant must enroll in the OCIP by completing the required forms included with these Supplemental General Conditions upon executing contracts for professional services with PREPA. The Consultant is responsible for enrollment and compliance with all OCIP requirements for any contracted sub-consultant of all tiers. The OCIP requirements are not intended to create any contract between the sub-consultants and PREPA. The Consultant hired by PREPA shall participate directly in the enforcement of any OCIP provisions that relate to sub-consultants but such participation shall not excuse the prime Consultant of its responsibility for enrollment and compliance with all OCIP requirements of sub-consultants of all tiers as provided above. The OCIP will provide General Liability, Excess Liability Coverage for On-Site Project activities and Professional Errors and Omissions liability for eligible Architects/Engineers and its respective Sub-consultants who have rendered or are rendering professional services for work done for enrolled projects (Section 6 of these Supplemental General Conditions provides a general description of the coverages provided under the OCIP.)

2. OCIP Premium Reimbursement

PREPA agrees to pay all premiums associated with the OCIP including deductibles or self-insured retentions except as otherwise stated in the professional service agreement or contract documents. The Consultant hired to perform professional services will be required to reimburse PREPA for its participation in the cost of the OCIP provided coverage. To calculate the amount that the Consultant will be required to transfer PREPA for the OCIP provided coverage, the Consultant must add to the first invoice of the contract or assigned task the amount equivalent to 1.75% of the total contract amount or assigned task set forth to perform the services. PREPA will retain the above mentioned amount, and will pay the Consultant the invoice amount excluding the corresponding premium for its participation.

3. Program Eligibility

3.1. Eligible Participants

Includes all architects, engineers, consulting engineers and other sub-consultants of all tiers rendering architectural or engineering professional services in connection with PREPA Capital Improvement Program.

3.2. OCIP Insured Projects

Include those projects in connection with PREPA Capital Improvement Program for eligible participants of all tiers who are properly enrolled in the OCIP by completing the OCIP Form 1.

4. Consultant Responsibilities

All architects, engineers and all other sub-consultants shall enroll in the OCIP by completing the attached OCIP Form 1 and submitting it to the OCIP Administrator upon executing contracts for professional services with PREPA.

5. Consultant Responsibilities for its Sub-Consultants

The Prime Consultant shall include all of the provisions of this agreement in every sub-consultant agreement so that such provisions will be binding upon each of its sub-consultants.

6. Coverage Provided in PREPA's OCIP

6.1.

PREPA has implemented an owner controlled insurance program (OCIP) to furnish certain insurance coverages provided for the benefit of PREPA and its Architects and Engineers (Consultants) and eligible participants of all tiers (unless specifically excluded) rendering professional services in the PREPA Capital Improvement Program. The OCIP policies will be available for review by the Consultants upon request to PREPA. The terms of such policies or programs, as such policies or programs may be from time to time amended, will be incorporated by reference herein. The Consultants hereby agrees to be bound by the terms of coverage as contained in such insurance policies and/or self-insurance programs and acknowledge that such policies prevail over any contradictory terms of this Supplemental General Conditions.

6.2.

PREPA will minimally provide and maintain in force the types of insurance as listed below. The Consultant and eligible participants of all tiers enrolled in the OCIP agree that the insurance company policy limits of liability, coverage terms, and conditions shall determine the scope of coverage provided by the OCIP. The Consultant agrees that the purpose of this section is to provide a general understanding of the coverage provided by the OCIP.

6.3. Project Professional Architects and Engineers Errors & Omissions Insurance

Provides Liability coverage for Negligent Acts, Error or Omissions that arise out of Professional services rendered by or to the benefit of an enrolled participant for projects covered under PREPA's OCIP. The program is structured in two layers as described below.

Scope of Coverage

- A. Covered Operations The performance of services in connection with PREPA's OCIP Insured Projects by an enrolled architect, engineer and sub-consultant.
- B. Insured Contracted architects, consulting engineers, and sub-consultants of all tiers providing services in connection with PREPA'S OCIP Insured Projects and while acting under express contract and direction of PREPA.
- C. Limits
 - Primary \$1,000,000 Each Claim
\$2,000,000 in the aggregate.
 - Excess \$24,000,000 Each Claim
\$48,000,000 in the aggregate.
 - Total Limits \$25,000,000 Each Claim
\$50,000,000 in the aggregate.
- D. Retroactive Coverage February 7, 1997.

The Owner Controlled Insurance Program include a Project Professional Liability Insurance policy which will name as "insured's" all Architects/Engineers providing services on PREPA projects, including Contractor members of design-build teams. Said policy will provide limits of \$25,000,000 each claim/\$50,000,000 aggregate and apply to all projects commencing construction effective March 31, 2006 through March 31, 2008. The policy provide for 3 years of extended reporting coverage following the date of substantial completion.

The policy will apply to the negligent acts, errors or omissions resulting from the performance of professional services per work performed for projects by enrolled participants. Unlike other portions of the OCIP, the Project Professional Liability Insurance will not be limited to claims arising from the Project Site. The policy will apply to the negligent acts, errors, or omissions resulting from performance of professional services regardless of location giving rise to a claim.

The Project Professional Liability Insurance is intended to be "primary insurance" as respects to all claims resulting from the projects. Any Professional Liability Insurance coverage carried by each respective Consultant and sub-consultant should be modified to apply excess

over the limits provided by the Project Professional Liability Insurance. Individual professional liability insurance policies (at the Consultant's option) will also need to provide "prior acts" coverage for this project after the expiration of the 3 year extended reporting period included in the Professional Liability Insurance.

6.4. Commercial General Liability

Provide coverage for Bodily Injury, Property Damage, Personal Injury, Products and Completed Operations (Completed Operations has a 5-year extension) and Employer's Liability Coverage, for On-Site Project Activities.

Scope of Coverage

- A. Operations The performance of services in conjunction with PREPA'S OCIP Insured Projects by enrolled Consultants and Sub-consultants of any tier providing services for Consultant/PREPA.
- B. Insured PREPA, Enrolled Consultant, and Enrolled Sub-consultants of all tiers.
- C. Limits \$100,000,000 Bodily Injury & Property Damage Each Occurrence.
 - \$100,000,000 General Aggregate for all Insured Projects
 - \$100,000,000 Products & Completed Operations and Annual Aggregate for all Insured Projects
 - \$100,000,000 Employer's Liability Coverage

6.5. Certificates and Policies

All the PREPA furnished insurance coverages shall be either written by insurance companies approved by PREPA or self-insured. PREPA or its appointed representative shall provide the Consultant and Sub-consultants with appropriate certificates of insurance or self-insurance evidencing the coverage outlined above.

6.6. Termination/Modification of the OCIP

PREPA reserves the right to terminate any participant from the OCIP, and to terminate or modify the OCIP, or any portion thereof. PRAEPA shall provide sixty (60) days advance written notice to all participants covered by the OCIP. The Consultant and all participants of all tiers shall immediately be required to obtain appropriate replacement insurance coverage acceptable to PREPA. The total reasonable cost of such replacement insurance will be

reimbursed by PREPA. Written evidence of such insurance shall be provided to PREPA prior to the effective date of the termination or modification of the OCIP.

7. Consultant Responsibilities

7.1.

The Consultant for itself and on behalf of its enrolled sub-consultants is required to cooperate with PREPA and its OCIP Administrator with regards to the administration and operation of the OCIP. The Consultant responsibilities shall include, but are not limited to:

- 7.1.1. Compliance with applicable law, statute or regulation ;
- 7.1.2. Compliance with PREPA's OCIP Manuals setting forth the administrative procedures required of the participants;
- 7.1.3. Provision(s) of necessary contractual, operations and insurance information;
- 7.1.4. Immediately notifying the OCIP Administrator as soon as practicable of all sub-consultants of all tiers upon award;
- 7.1.5. Cooperation with any insurance company and OCIP Administrator with respect to requests for claims or other information required under the program;
- 7.1.6. Immediately notifying PREPA that any Consultant/Sub-consultant provided coverage has been canceled, materially changed, or not been renewed;
- 7.1.7. Complete the following administrative forms within the time frames specified:
 - A. PREPA OCIP Form 1 -OCIP Enrollment Form. Upon executing contract for professional service with PREPA.
 - B. PREPA OCIP Form 2 -Notice of Substantial Completion. Upon completion of all work being performed under the agreement.
- 7.1.8. Ensure that all eligible participants of all tiers complete OCIP Form 1 and OCIP Form 2.

7.2. Completed forms will be sent to PREPA's OCIP Administrator at the following address:

Puerto Rico Electric Power Authority
Risk Management Office
PO Box 364267 San Juan, PR 00936-4267
Phone #: (787) 289-4586/87/89
Fax #: (787) 289-4590

8. Assignment of Return Premiums

PREPA will be responsible for the payment of all premiums associated solely with the OCIP and will be the sole recipient of any dividend(s) and/or return premium(s) generated by the OCIP. In consideration of PREPA's provision of said coverages, by signing this agreement, the Consultant agrees to: Irrevocably assign to and for the benefit of PREPA, all return premiums, premium refunds, premium discounts, dividends, retentions, credits, and any other monies due to PREPA in connection with the insurance which PREPA herein agrees to provide. The Consultant further agrees to require each sub-consultant of all tiers to execute a similar assignment for the benefit of PREPA.

9. Consultant's-Provided Coverage

9.1.

For any work under the professional service agreement, and until completion and final acceptance of the work, the Consultant, at its own expense, must promptly furnish to PREPA's OCIP Administrator, certificates of insurance giving evidence that certain coverages are in force. The Consultant is also responsible for compliance with these requirements by its sub-consultants of all tiers.

9.2.

Upon receipt of notice to proceed, the Consultant agrees and shall cause its sub-consultants of all tiers to agree to obtain the insurance set out below from a company or companies acceptable to PREPA as follows:

9.2.1. Workmen's Compensation Insurance

9.2.1.1. The Consultant shall provide Workmen's Compensation Insurance as described by the Workmen's Compensation Act of the Commonwealth of Puerto Rico. The PMC shall also be responsible for compliance with said Workmen's Compensation Act by all its sub-consultants.

9.2.1.2. The Consultant shall furnish the Authority a certificate from the State Insurance Fund showing that all personnel employed in the work are covered. If imported technical personnel are exempted, the Consultant shall furnish evidence of such exemption and certificate from the insurance carrier covering said personnel.

9.2.1.3. For imported personnel eligible for exemption, as per Act. No. 16 of May 16, 1958, the Consultant shall refer to Appendix "A".

9.2.2. Comprehensive Automobile Liability Insurance

The Consultant agrees, and shall cause its sub-consultants of all tiers to agree, to provide, at their own expense, Automobile Liability Insurance for claims arising from the ownership, maintenance, or use of a motor vehicle at, upon, or away from the Project Site. The insurance shall cover all owned, non-owned, and hired automobiles used in connection with the work, with the following minimum limits of liability:

- \$1,000,000 Combined Single Limit Bodily Injury and Property Damage per Occurrence .

9.2.2.1. The certificate evidencing these coverages shall state that the policy has been endorsed to name PREPA as an Additional Insured.

9.2.2.2. Notice of Cancelation

Policies and or certificates shall specifically provide an advanced sixty-(60) days notice of cancellation, non-renewal or material change to be sent to the OCIP Administrator at the aforementioned address, as a condition for such cancellation, non-renewal or material change to take place.

9.2.2.3. If there is exposure of transportation of hazardous materials the following endorsement shall be provided under the Auto liability insurance. Under this policy, Motor Carrier Endorsement, of the Motor Carrier Act of 1980, Form MCS-90, shall be provided by the Consultant.

9.2.3. Bonds

As a contract security, the Consultant shall furnish at any time before the execution of the contract or assigned task order:

9.2.3.1. A Performance Bond in the amount of one hundred percent (100%) of the contract price, with good and sufficient surety satisfactory to the Authority guaranteeing that the Consultant will well and faithfully perform the contract work within the time specified.

9.2.3.2. A Payment Bond in the amount of one hundred percent (100%) of the contract price, with good and sufficient surety satisfactory to the Authority to guarantee the prompt payment of all labor, supervision, equipment and materials required in the performance of the work.

9.2.3.3. All bonds shall be presented to the Authority before commencement of

any work and shall be executed in the required official form of the Authority.
9.2.3.4. Power of Attorney must be provided with the Payment and Performance Bond to certify its legitimacy.

9.3. Certificates of Insurance

Prior to entrance on the Project Site, the Consultant agrees, and shall cause its sub-consultants of all tiers to agree, to provide to PREPA's OCIP Administrator a Certificate of Insurance setting out the coverages described herein, limits, and amendments to the certificate necessitated by changes to the work to be performed under the contract until completion and final acceptance of work.

Insurances must be placed with carriers having an A.M. Best's Guide rating of A-VII or better. Such certificate shall be forwarded to the OCIP Administrator at the address described on Section 7.2 above.

9.4. Furnishing of Policies

9.4.1. All required policies of insurance shall be in a form acceptable to the PREPA, and shall be issued only by insurance companies authorized to do business in Puerto Rico and duly licensed as applicable under the Insurance Code of Puerto Rico.

9.4.2. The Consultant shall furnish a complete copy of each policy required under this agreement, or a Certificate of Insurance signed by an authorized representative of the insurer in Puerto Rico, describing the coverages afforded. This certification shall be in an "Accord" form, in general use by the insurers.

10. Other Insurance

Any type of insurance or any increase of limits of liability not described above which the Consultant requires for its own protection or on account of any statute shall be its own responsibility and its own expense.

The OCIP is not an attempt to provide the Consultant and its sub-consultants of all tiers with complete insurance programs. PREPA shall not be responsible to provide any insurance coverage not specified above. The Consultant and its Sub-consultants of all tiers have the responsibility to make sure their insurance programs fit their particular needs, and it is their responsibility to arrange for and secure any insurance coverage, which they deem advisable, whether or not specified above.

11. Sub-Consultant Participation

Upon execution of the agreement, the Consultant will immediately report all new eligible participants of all tiers to the OCIP Administrator for enrollment in the OCIP. The Consultant

shall incorporate all provisions of these Supplemental General Conditions in any Sub-consultant agreement and shall cause its Sub-consultants to cooperate fully with PREPA, and the insurance companies for the project, in the administration of the OCIP. The Consultant agrees to cooperate with the program and claim handling procedures as established for the project, by PREPA. In accordance with this paragraph, the Consultant shall not permit any sub-consultant of any tier to commence its engagement prior to submitting enrollment forms in the PREPA's OCIP; failure to do so may negate the afforded coverage(s). Any failure by the Consultant in complying with this provision shall constitute a contractual material breach of the professional service agreement and upon its occurrence PREPA may pursue any and all rights or remedies it may have under the agreement and/or under the law, including terminating any participant from the OCIP.

12. Waiver of Subrogation

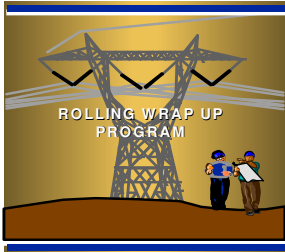
The Consultant waives all rights of subrogation and recovery against PREPA, to the extent of any loss or damage, which is insured under the OCIP. Consultant shall require all sub-consultant(s) to similarly waive their rights of subrogation and recovery in each of their respective professional services agreement with respect to their work. PREPA also waives all rights of subrogation against the Consultant to the extent of any loss or damage covered under the OCIP provided coverage.

13. No Release

The carrying of the above-described insurance shall in no way be interpreted as relieving the Consultant of any other responsibility or liability under the agreement, the OCIP policies or any applicable law, statute, regulation or order.

14. Owner Controlled Insurance Program

Subject to the notice provision of section 6.6, PREPA reserves the right to modify or cancel the owner controlled insurance program (OCIP) or to otherwise determine if the awarded Consultant will provide their own insurance coverage in lieu of the OCIP provided coverage, or part thereof.



**PUERTO RICO ELECTRIC POWER AUTHORITY
OCIP ENROLLMENT**

Your Company Name:			
Contact Person:			
Physical Address:			
Mailing Address:			
City:	State:	Zip-code:	
Tel. #:		Cellular #:	
Fax #:		Pager #:	
E-Mail Address:		Federal ID #:	
Contract Information			
Who awarded your contract:		General Contractor:	
Project Name:			
Site Contact :		Tel.:	
Safety Contact:		Tel.:	
Type of work to be done:			
Start Date:	Termination Date:	Contract Amount: \$	
Expected Use of Subcontractors			
<u>Company Name & Mailing Address</u>	<u>Contact Person</u>	<u>Telephone No.</u>	<u>Start Date</u>

This enrollment form must be received prior to starting work on the Project at the OCIP Administrator’s Office:

Puerto Rico Electric Power Authority
Risk Management Office
PO Box 364267
San Juan, PR 00936-4267
Tel. (787) 289-4587/89 Fax (787) 289-4590

SIGNED BY: _____

DATE: _____



**PUERTO RICO ELECTRIC POWER AUTHORITY
NOTICE OF COMPLETION**

Please be advice, we are scheduled to complete our work for:

Job Name/Description: _____

Completion Date: _____ Awarded by: _____ Prime Contractor: _____

Final Contract Amount: _____

We used the following subcontractors who will also complete their work on the date shown above:

_____ This is our only contract for PREPA

_____ We are still working on the following jobs for PREPA

Awarded by Job Name/Description Prime (If any)

Your company's Name: _____

By: _____ Title: _____

This form must be sent to the following address:

Puerto Rico Electric Power Authority
Risk Management Office
PO Box 364267
San Juan, PR 00936-4267
Tel. (787) 289-4587/89
Fax. (787) 289-4590

WORKMEN'S COMPENSATION INSURANCE REQUIREMENTS FOR IMPORTED TECHNICAL SERVICES

APPENDIX "A"

A. Introduction

Act No. 16, approved on May 16, 1958, authorizes the Commonwealth State Insurance Fund Administrator to exempt employer's from payment of premium for salaries paid to imported technical personnel.

The basic requirements for the exemption are:

1. Said technical personnel must be hired, the same special skills for the job not readily available in Puerto Rico.
2. Exemption cannot exceed two years per employee.
3. Technical personnel must be covered for workmen's compensation benefits equal or greater to those provided under the Puerto Rico Workmen's Compensation Act.

B. Requirements

Exemption requests must be filed with the Commonwealth State Insurance Fund for each case.

Therefore, every firm entering into a contract with the Authority for the furnishing of services to be rendered by imported technical personnel must submit, prior to contract execution or purchase order issuance, the following information:

1. A list containing the following information:
 - a. Name, residence, and usual place of employment of all such technical personnel temporarily transferred to Puerto Rico.

- b. Effective date of employment in Puerto Rico for each technical employee so transferred to Puerto Rico and expected duration of their stay in the island.
 - c. Technical qualifications of each employee transferred to Puerto Rico and their job descriptions while in the island.
2. If such technical personnel are covered by an insurance policy, a complete copy of each workmen's compensation insurance policy, including the endorsements pertaining to such coverage, covering such technical personnel while working in Puerto Rico.
3. If item 2, above, is applicable, a certified statement by the Secretary of the Insurer or insurers insuring said policies stating that:
 - a. The copy of each policy is a true and complete copy of the policy issued by the insurer.
 - b. Each policy so certified will be in full force and effect during the entire policy period shown in the declarations of the period.
 - c. Each policy so certified will provide workmen's compensation insurance coverage for all technical personnel of the insured while working in Puerto Rico. As part of this statement, there must be indication of the name of the state under whose workmen's compensation law benefits will be provided for all technical personnel of the insured while working in Puerto Rico.
4. If item 2 is not applicable, a certificate issued by the appropriate governmental agency having jurisdiction over workmen's compensation insurance coverage stating that their coverage is extended for such technical personnel during their entire stay in Puerto Rico. The certificate must include the effective date of the approval of the extension of coverage, the duration of the approval and the conditions, if any, attached to such approval.
5. The exact location in Puerto Rico of the construction project where such technical personnel will be or is employed.



**PUERTO RICO ELECTRIC POWER AUTHORITY
SAFETY COMPLIANCE CHECK LIST**

Your Company Name:		
Physical Address:		
Mailing Address:		
City:	State:	Zip Code
Tel #:	Fax #:	
Project Information		
Project Name and Brief Description:		
Your Company Site Contact Person For This Project:	Tel #:	
Your Company Safety Contact Person For This Project:	Tel #:	
Start Date:	End Date:	Emergency Tel #:
Check List Of Documents To Be Submitted To PREPA Occupational Safety and Health Office: (Please, attach any documents that have not been evaluated within the past year by PREPA Safety and Health Office)		
<input type="checkbox"/> Safety Program <input type="checkbox"/> Training Certificates and Licenses Needed <input type="checkbox"/> Site Specific Work Plan <input type="checkbox"/> List of Chemicals to be used in the Project <input type="checkbox"/> Material Safety Data Sheet (MSDS) for each Chemical on the Previous List <input type="checkbox"/> Name any Specific Safety Coordination Needed to Perform the Project		<input type="checkbox"/> Coordination Meeting Scheduled (Please, include date, time and place.)
Expected Use of Subcontractors:		
Company Name	Brief Description of Work	Anticipated Start Date at Project Site

This compliance form must be received fully filled by the OCIP Safety Manager prior to starting work.

Please, send to:

Puerto Rico Electric Power Authority
Occupational Safety Department
P.O. Box 364267, San Juan, PR 00936-4267
Tel. (787) 289 – 4241/ 4240, Fax: (787) 289 – 4232

Signed by: _____

Date: _____