**Instructions to Proposers - Owner Controlled Insurance Program (OCIP)**

Example 3/5/13

**General/Overview**

See Book 1, Exhibit x for insurance requirements for this project.

The following lines of insurance coverage will be purchased and covered by CDOT and will included in an OCIP:

1. Contractor’s Pollution Liability
2. Builder’s Risk

The successful contractor and their appropriate subcontractors shall enroll and participate in the OCIP in accordance with Book 1, Exhibit x.

The following lines of insurance coverage may be purchased and covered by CDOT and may be included in an OCIP:

1. Commercial General Liability
2. Excess (Umbrella) Liability
3. Worker’s Compensation
4. Professional Liability

The successful contractor and their appropriate subcontractors may be required to enroll in the OCIP in accordance with Book 1, Exhibit x. Prior to award, CDOT will analyze the successful proposal to determine if these lines of coverage will be included in the OCIP.

The following lines of insurance coverage will not be covered by CDOT in an OCIP and are required in accordance with Book 1, Exhibit x and shall be provided by the Contractor:

1. Off-site/of location coverage for General Liability and Excess/Umbrella Liability
2. Automobile Liability
3. Inland Marine/Property-Insurance for the Contractor’s equipment or facilities
4. Aviation – if warranted
5. Environmental/Asbestos Abatement – if warranted
6. Railroad protective coverage – if warranted
7. Other business-oriented coverage carried by the Contractor within their corporate overhead

The OCIP will not provide coverage for vendors, suppliers, material dealers, haulers and/or independent haulers, or others who merely transport, pick up, deliver, or carry material, parts or equipment or any other items or persons to or from the Project site. Subcontractors providing on site hauling services with dedicated payroll will be considered eligible for enrollment at CDOT’s discretion.

**Proposal Requirements**

Proposals shall be inclusive of all insurance costs of the project necessary to meet the requirements of Book 1, Exhibit x with the exception of Contractors Pollution Liability and Builder’s Risk.

As part of their Proposal package, Proposers shall complete and submit forms OCIP-A and OCIP-B to separate out insurance costs that are included in their Proposal for the following lines of coverage:

1. Commercial General Liability
2. Excess (Umbrella) Liability
3. Worker’s Compensation
4. Professional Liability

Forms OCIP-A and OCIP-B shall delineate total insurance costs, insurance cost that could be associated with the OCIP and insurance costs that must remain the responsibility of the contractor.

If requested, the successful Proposer shall allow CDOT’s Risk Management, Insurance Broker, and Underwriter(s) to review any and all information that was used to complete forms OCIP-A and OCIP-B in order to confirm the methodology and accuracy of the data and to assure that the insurance costs are within industry standards.

Prior to Award, CDOT at its sole discretion will determine which, if any, lines of coverage will be covered by CDOT in the OCIP. If selected for OCIP, the corresponding line item dollar amounts supplied by the successful proposer will become credits to CDOT.

Immediately following Award, CDOT will create line item deductions (credits to CDOT) for any of the above insurance coverage categories to be included in the OCIP and will be documented in Book 1, Exhibit x which will become an attachment to the final contract. Immediately following Award, the Proposer shall submit a revised cost loaded WBS, in the same format as previously submitted, with the appropriate deductions in cost to each WBS element and sub-element to account for the credits to CDOT associated with the OCIP.

No additional compensation will be made to the Contractor for insurance costs for Change Order work for insurance provided by the OCIP.

Lines of coverage that CDOT has secured under the OCIP meet the requirements of Book 1, Exhibit x.

The Contractor shall be responsible for all or part of the deductible when it or its subcontractor is found to be responsible for an OCIP covered claim in accordance with Book 1, Exhibit x.

**Incentive/Disincentive**

Incentives totaling up to $xx,xxx are available to the successful Proposer for this project. Incentives depend on OCIP participation, responsiveness and safety performance as described in the RFP and will be paid generally as follows:

25%. Responsiveness, accuracy of rates in the worksheets and additional effort between the RFP submittal and contract award.

25%. OCIP enrollment and reporting accuracy and timeliness.

50%. Safety Compliance, Loss Statistics and Experience compared to Loss Expectations documented at the time of award.

attach Form OCIP-A, Insurance Calculation Worksheet

attach Form OCIP-B, Insurance Worksheet Summary