INTENT: This Addendum forms a part of the Contract Documents and modifies the Original Bidding Documents and Prior Addenda, if any, as identified above. Acknowledge receipt of this Addendum in the space provided on the Bid Form. Failure to do so may subject Bidder to disqualification.

I. Points of Information:

Question: We write to call the University’s attention to some changes that have occurred that will affect the snow removal industry specifically the insurance aspect of conducting business.

The specifications call for $1,000,000 CGL coverage. For some time now the insurance industry been excluding from the coverage of CGL policies any and all claims for personal injury or property damage arising from a contractor's “work in rendering or failure to render any service to others of plowing, removing, remediating or treating snow, ice, sleet or other freezing precipitation."

Thus, the coverages required within section 2.3 of Appendix #1 may not protect MSU or the contractor from claims arising from the activities specified in the contract. As such, the contract insurance provisions should be updated to specifically require snow plowing endorsement (CG 90 54 01 14) with no exclusions for plowing of public, private or institutional roads, parking lots, parking structures, steps and walkways. Both of these issues have surfaced over the past few years as the insurance companies tighten up their qualifications and quietly reduce their coverage liability.

These special coverage can be obtained, but at an additional premium, amending the form of contract to require the endorsement and limit the exclusions for this snow removal work will provide the University with the proper coverages as well as promote a more fair and economical bidding environment.

Response: General Liability coverage shall not contain any limit or exclusion related to snow plowing activities. The same requirement applies to an umbrella. Additionally, Appendix #1, Paragraph 2.3 has been revised to include Excess Liability requirement. See VI. Changes to Conditions of the Contract below.
III. Changes to Prior Addenda:
   NOT USED

IV. Changes to Bidding Requirements:
   NOT USED

V. Changes to Agreement and Other Contract Forms:
   NOT USED

VI. Changes to Conditions of the Contract:
Appendix #1, MSU Standard Terms and Conditions, Paragraph 2.3 has been revised to include the following:

   “General Liability coverage shall not contain any limit or exclusion related to snow plowing activities. The same requirement applies to an umbrella. 
   Excess Liability, umbrella insurance form, applying excess of primary to the commercial general liability, commercial automobile liability and employer’s liability insurance shall be provided with minimum limits of five million dollars ($5,000,000) per occurrence, five million dollars ($5,000,000) general aggregate, and five million dollars ($5,000,000) products/completed operations.”

VII. Changes to Specifications:
   NOT USED

VIII. Changes to Drawings:
   NOT USED

Please acknowledge receipt of this Addendum No. 2 via fax. The fax number is 973-655-5468.

______________________________  __________________________
Company Name (please print)    Date

______________________________  __________________________
Signature                      Title

______________________________
Contact Name (please print)

Attachments:

Distribution: All Bidders
             S. Ruggiero/MSU
             A. Markowsky/MSU

Project File