

**CONTRACT FOR ON SITE CONSULTING PACKAGE**

**BY:** Kiser Arena Specialists

**FOR:** City of Franklin, Tennessee, 705 Boyd Mill Avenue, Franklin, TN

Kiser Arena Specialists and City of Franklin agree as follows:

**SECTION 1 - SERVICES TO BE PROVIDED**

- 1(1) Kiser Arena Specialists and City of Franklin agree that Kiser Arena Specialists shall, commencing on (to be determined), will provide the services set out in Schedule "A" (On Site Consulting Package) for one-day on the terms and conditions set out in this Agreement and in a professional manner satisfactory to City of Franklin.

A. This contract reflects consulting work on two outdoor arenas. This contract does not include arena site selection, arena size, arena manufacturer, arena building installer, or selection of contractor for installation of footing as set out in Schedule "A".

- 1(2) Kiser Arena Specialists shall comply with all reasonable directions and requests of City of Franklin.

- 1(3) All reports to be prepared by Kiser Arena Specialists pursuant to Schedule "A" shall be in writing, shall be satisfactory in form and content to City of Franklin and shall be provided to City of Franklin at the following address:

City of Franklin  
John Wagnon  
705 Boyd Mill Avenue  
Franklin, TN 37064  
615-794-2103 (phone)

**SECTION 2 - PAYMENT TO KISER ARENA SPECIALISTS**

- 2(1) City of Franklin shall make payments to Kiser Arena Specialists, in the amount of \$5,000.00 plus all travel expenses for a one-day on-site consultation.
- 2(2) Travel expenses are inclusive of airfare, rental vehicle, overnight accommodations, mileage for private vehicles at a rate not to exceed the rate established by the Internal Revenue Service as applicable. City of Franklin will reimburse travel expenses consistent with City's Travel and Expense Policy and City's Disbursement Policy attached as Exhibit A and Exhibit B, respectively, and incorporated into this agreement. Kiser Arena Specialist must submit all reimbursement requests as indicated in Exhibits A and B and may only seek reimbursement for expenses incurred on behalf of City of Franklin.
- 2(3) Kiser Arena Specialists shall provide invoices and supporting

documentation to City of Franklin as follows:

1. Invoice
  2. Appropriate Consulting Package
  3. Contract
- 2(4) City of Franklin shall pay the invoice total upon receipt and execution of consultation contract.
- 2(5) Rendering of services is subject to receipt of paid invoice.
- 2(6) Release of written recommendation is subject to receipt of payment for travel expenses.
- 2(7) In addition to payments under subsection (1), City of Franklin shall reimburse Kiser Arena Specialists for documented reasonable out-of-pocket expenses, which have received prior approval from City of Franklin.
- 2(8) Consultation, pursuant to Schedule A, will be considered complete 60 days following the receipt of written recommendation. Any further consultation needs could incur additional fees at the discretion of Kiser Arena Specialists and approval of City of Franklin.

**SECTION 3 - CONFIDENTIALITY OF INFORMATION, ETC.**

- 3(1) While this Agreement is in effect, and at all times thereafter, Kiser Arena Specialists and any employees or agents of Kiser Arena Specialists:
- (a) shall treat as confidential all information, data, reports, documents, and materials acquired or to which access has been given in the course of, or incidental to, the performance of this Agreement;
  - (b) shall not disclose, or permit to be disclosed, to any person, corporation, or organization such information, data, documents or materials without first obtaining written permission from City of Franklin, and
  - (c) shall comply with any rules or directions made or given by City of Franklin with respect to safeguarding or ensuring the confidentiality of such information, data, documents, or materials.

**SECTION 4 - OWNERSHIP OF INFORMATION, ETC.**

- 4(1) All reports, information, data, research, documents, photographs, and materials discovered or produced by the Kiser Arena Specialists, or any employees or agents of the Kiser Arena Specialists, in the performance of this agreement will be the private property of City of Franklin and shall be delivered without cost to City of Franklin upon request.

- 4(2) Information provided by Kiser Arena Specialists is to be used for the sole purpose for which it is intended. Proprietary information may not be disclosed in whole or part to any third party without prior written consent of Kiser Arena Specialists.
- 4(3) City of Franklin hereby agrees not to duplicate, distribute, teach, or train from information provided by Kiser Arena Specialists to any third party outside the realm of the original intended application.
- 4(4) Distribution of Kiser recommendations and intellectual property for profit is strictly prohibited.
- 4(5) Unauthorized use or distribution of proprietary concepts, materials, and intellectual property by City of Franklin or a representative of City of Franklin are prohibited and will result in pursuance of legal action and full damages if these terms are violated.
- 4(6) Any equipment, materials and supplies provided by City of Franklin to Kiser Arena Specialists for use in the performance of this Agreement shall remain the property of City of Franklin and shall be returned without cost to City of Franklin upon request.

#### **SECTION 5 - TERMINATION**

- 5(1) Either party may terminate this Agreement at any time by giving 10 days notice in writing to the other party.
- 5(2) In addition to its rights under subsection (1), and without restricting any other remedies available, City of Franklin may, at its sole option, immediately terminate this Agreement in writing if:
  - (a) in the opinion of City of Franklin, the Services provided by Kiser Arena Specialists are unsatisfactory, inadequate, or are improperly performed; or
  - (b) in the opinion of City of Franklin, Kiser Arena Specialists has failed to comply with any term or condition of this Agreement; or
  - (c) Kiser Arena Specialists is dissolved or becomes bankrupt, or insolvent.
- 5(3) Upon termination of this Agreement, Kiser Arena Specialists shall cease to perform any further work and shall deliver to City of Franklin any finished work which has not been delivered and accepted prior to termination, together with any materials and work in progress relating to this Agreement. Because of the nature of Kiser Arena Specialists "product" (knowledge and expertise) it will be at Kiser Arena Specialists sole discretion as to whether any percentage of the original payment will be refunded.


**SECTION 6 - GENERAL PROVISIONS**

- 6(1) Sections 3, 4, and 5 survive the termination or expiration of this Agreement.
- 6(2) Kiser Arena Specialists is an independent contractor, and this Agreement does not create the relationship of employer and employee, or of principal and agent, between City of Franklin and the Kiser Arena Specialists or between City of Franklin and any employees or agents of the Kiser Arena Specialists.
- 6(3) Kiser Arena Specialists cannot be held liable for the work of, financial loss from, or the incompetency of, the general contractor providing the actual physical labor. Although Kiser Arena Specialists will assist in the selection of the general contractor, as stated in Schedule "A", they will not be held accountable for contractor's quality of work.
- 6(4) Kiser Arena Specialists shall not assign or transfer this Agreement or any of the rights or obligations under this Agreement, without first obtaining written permission from City of Franklin.
- 6(5) Kiser Arena Specialists shall defend, indemnify and hold City of Franklin harmless from and against any and all loss, cost, expense, liability, or damage, including, without limitation, all reasonable attorney's fees and court costs, arising out of or in connection with the performance by Kiser Arena Specialists of any activities contemplated hereunder, whether or not in breach of this Agreement. Such losses, costs, expenses, damages, or liabilities shall include, without limitation, all actual, general, special, and consequential damages.
- 6(6) This Agreement shall be binding upon the executors, administrators, heirs, successors and any permitted assigns of Kiser Arena Specialists.
- 6(7) Time shall be of the essence of this Agreement.
- 6(8) Kiser Arena Specialists agree to obtain insurance and provide one or more certificates of insurance as outlined in Exhibit C.
- 6(9) This document, the attached Schedule "A," and Exhibits A, B, and C contain the entire Agreement between the parties. There are no undertakings, representations, or promises, expressed or implied, other than those contained in this Agreement.
- 6(10) No amendment or change to, or modification of, this Agreement shall be valid unless it is in writing and signed by both parties.
- 6(11) The Contract constitutes the entire agreement and is made under and will be construed in accordance with the laws of the State of Tennessee without giving effect to any state's choice-of-law rules. The choice of forum and venue shall be exclusively in the Courts of Williamson


County, Tennessee. The Contractor acknowledges and agrees that any rights or claims against the City of Franklin or its employees, or elected or appointed officials hereunder, and any remedies arising there from, shall be subject to and limited to those rights and remedies, if any, available under Tenn. Code Ann. §§ 9-8-101 through 9-8-407.

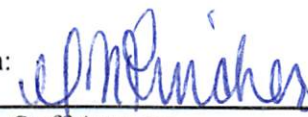
This agreement has been executed by Jim Kiser on behalf of Kiser Arena Specialists and by City of Franklin on the dates noted below:

**Kiser Arena Specialists**

SIGNATURE:   
NAME: Jim Kiser  
DATE: 10/28/2019

**FOR: City of Franklin**

SIGNATURE:   
NAME: Eric S. Stuckey, City Administrator  
DATE: 12-10-19

Approved as to form:   
Maricruz R. Fincher, Staff Attorney

## ARENA CONSULTING – On-site

### (Scope of Work, Schedule A)



#### Overview

*Kiser Arena Specialists (KAS) understands that every arena is unique and every job starts at a different stage in the process. The "Scope of Work" provided for this consulting package is simply an overview guideline of potential services that may be needed. Every client will not need all the services listed, and some clients may need additional services not listed. Kiser Arena Specialists does not offer an "ala cart" "Scope of Work" as this would become too confusing for both Kiser Arena Specialists and the client.*

#### Arena Consulting Package Inclusions:

In the on-site "scope of work" a senior level KAS representative will personally be at the client's location for a minimum of 1 day and a maximum of 2 days depending on the needs of the project. During these onsite days KAS will be visiting local quarries and meeting with the client and contractor if available. The senior level KAS staff member will then be responsible for all communication and work related to the client's project. The following is a list of possible services provided by KAS depending on what KAS deems relevant to the specific circumstances of the project.

- o **Initial Phone Call:**
  - o Up to 2 hours
  - o Arena site analyzed
    - Indoor or Outdoor
    - Grade of Arena
    - Current Design of Arena
  - o Location influences analyzed
    - Prevailing winds
    - Average Temperature
    - Rain Volume
    - Existing Structures
    - New structures
  - o Current footing "issues" analyzed
  - o Budget analyzed
  - o Client expectations established
  - o Education on specific equine discipline needs
  - o Education on "base" materials for different disciplines
  - o Education on "base" materials for indoor vs. outdoor arenas.
  - o Education on sands, silts and clays for indoor and outdoor arenas.
  - o Education on "shear strength" and footing stability
  - o Education on synthetic footings
  - o Education on moisture management
  - o Establish "next steps" for project advancement

#### Services

- Consulting
- Construction
- Show Management
- Equipment



o **Site Selection**

- o KAS will assist in the site selection of the arena (if requested).
- o KAS will provide guidance and foresight for layout of additional structures that will impact arena performance and facility functionality (if requested).

o **Drainage Plan**

- o KAS will assist with a drainage plan for the arena (if requested).

o **Arena Footing Testing**

- o The following tests will be performed, as applicable, on existing arena samples or samples selected for future arena to determine the sand, silt, clay percentages. In the event that third party testing is needed, the client will be advised in advance for approval of expense.
  - Sieve analysis
  - Compaction testing
  - Cushion testing
  - Moisture retention testing
  - Moisture percolation testing
- o A written report (email) will be provided, if applicable, with the "findings" of the footing testing.
- o A written report (email) will be provided with material specifications to modify original footing if necessary.
- o Samples of "similar" materials will be sent to the client (*if available and or necessary*).
- o KAS will assist you in contacting local quarries and having them ship different samples of their sands and silts. (Client will be responsible for this expense.)
- o Depending on the purpose of the arena (*hunter jumper, reining, cutting etc...*) and depending on the soils available to the customer's region, KAS will attempt to use local footing material. If the right soil type is not available, KAS may recommend an artificial footing product.

o **Quarry Communication**

- o KAS will work, along with the client, in communicating the needs and specifications for the samples needed of the "base" and the "top footing" to selected quarries.

o **Base and "top footing" materials**

- o KAS will select all materials needed for a proper "base".
- o KAS will select all materials needed for a proper "top footing".
- o KAS will visit local quarries and have them ship different samples of their sands, silts and clays and base materials back to the lab for complete testing.

o **Contractor Communication**

- o If a contractor has not been selected KAS can assist you in selecting a contractor or possibly recommend one that we have previously worked with to install the arena(s)
- o KAS will consult with the contractor during the construction process as needed.
- o KAS will supply the contractor with personalized specifications for the arena(s) being built.
  - Arena Dimensions
  - Construction Plans (processes for proper installation)
  - Soil material and depths of layers

o **Instructions**

- o KAS will supply in a written report (email) the client with personalized specifications for the arena(s) being built.
  - Arena Dimensions
  - Construction Plans (processes for proper installation)
  - Soil material and depths of layers
- o A written report (email) will be provided with instructions on proper moisture management.
- o A written report (email) will be provided with arena footing maintenance guidelines.

o **Continued Phone Consultation**

- o KAS will continue to provide phone consultation for both the client and contractor during, and immediately following, the installation of the new footing.

o **Contractual Terms**

- o Consultation contract will be complete 60 days following the receipt of KAS written recommendations. Any further consultation may be fee based.
- o Kiser Arena Specialists Advertising- Permission is granted to use, advertise, or refer to the client's arena as a "Kiser Arena"



CITY OF FRANKLIN

Travel and Expense Policy

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## CITY OF FRANKLIN

## Travel and Expense Policy

**1. PURPOSE**

The purpose of this policy is to ensure compliance with Tennessee Code Annotated § 6-54-901-907. This law requires Tennessee municipalities to adopt travel and expense regulations covering expenses incurred by "any mayor and any member of the local governing body and any member board or committee member elected or appointed by the mayor or local governing body, and any official or employee of the municipality whose salary is set by charter or general law."

To provide consistent travel regulations and to assure fair and equitable treatment, this policy is expanded to cover all employees and individuals traveling on City business at City expense.

**2. ENFORCEMENT**

The City Administrator or designee shall be responsible for the enforcement of these regulations. Any person attempting to defraud the City or misuse City travel funds is subject to legal action for recovery of fraudulent travel claims.

**3. AUTHORIZED TRAVELER**

In the interpretation and application of this policy, the term "traveler" or "authorized traveler" means any elected or appointed municipal officer or employee, including members of municipal boards and committees appointed by the Mayor or the municipal governing body, the employees of such boards and committees and all other municipal employees who are traveling on official municipal business and whose travel was authorized in accordance with this policy. Unless otherwise specified, this policy applies to vendors for travel or business expenses eligible for reimbursement by the City.

"Authorized traveler" shall not include the spouse, children, other relatives, friends, or companions accompanying the authorized traveler on authorized business, unless the person(s) otherwise qualifies as an authorized traveler under this policy.

**4. TRAVEL AND EXPENSES**

**Discounts.** The authorized traveler should be conservative in expenditures and request the government rate and/or take advantage of other discounts, special rates or tax exemptions to which the City may be entitled whenever feasible.

**Payments.** Authorized travelers are encouraged to use their Purchasing Card whenever possible for paying for eligible expenses, including but not limited to conference registration, lodging, meals, and gasoline purchases.

The municipality may pay directly to a provider by accounts payable for expenses such as meals, lodging, and registration fees for conferences, conventions, seminars, and other education programs.

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## Travel and Expense Policy

Authorized travelers may be reimbursed for eligible expenses incurred while traveling on official business for the City. Eligible expenses shall include expenses for transportation; lodging; meals, registration fees for conferences, conventions, and seminars; and other actual and necessary expenses related to official business as determined by the City Administrator or designee.

The City does not provide travel advances. (Eligible travel expenses not paid directly by accounts payable or purchasing card will be reimbursed.)

**Travel Period.** The traveler will be required to take annual leave for any additional time taken beyond the day before and the day after the conference, convention, seminar, or meeting dates.

When the traveler extends the trip with personal time to take advantage of discount fares, eligible expenses will be limited to the lesser of:

- a. the actual expenses incurred, including meals and lodging; or
- b. the amount that would have been incurred for non-discounted fares using the least expensive rates available.

## 5. DOCUMENTATION

**Travel Authorization.** Prior to the travel, all costs associated with the travel should be reasonably estimated. The authorized traveler shall indicate that the proposed travel is approved in the present budget. Departments may use the Travel Authorization Form to document the authorization.

Travel authorizations of \$2,500 or over are approved by the City Administrator or an Assistant City Administrator. Those under \$2,500 may be approved by the department head or designee.

**Travel Reimbursement.** To qualify for reimbursement, travel expenses must be directly related to the conduct of the City business for which the travel was authorized and reasonable, and necessary under the circumstances. The City Administrator may make exceptions for unusual circumstances.

It is the responsibility of the authorized traveler to complete the reimbursement form, sign, and obtain approval with the necessary supporting documents and original receipts.

Reimbursement requests, including those for mileage, should be received by Finance within 30 days of the end of the travel or expense period. Reimbursement requests received after 60 days of the end of the travel or expense period are not eligible for reimbursement.

Travel expenses chargeable to a federal award require documentation to substantiate that the travel is necessary to the federal award.



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## Travel and Expense Policy

**Travel Receipts.** Expenses must be supported by the original paid receipts unless otherwise exempted in this policy. If an invoice or receipt is missing, substitute documentation is needed for the expense. If the expense is under \$25, the substitute documentation detailing the expense may be provided in lieu of the missing invoice or receipt. If \$25 or more, the substitute documentation needs to include evidence of the vendor being unable to provide a replacement invoice or receipt.

**6. REGISTRATIONS**

Registration fees for approved conferences, conventions, seminars, meetings, and other educational programs are eligible expenses.

**7. TRANSPORTATION**

**Air Travel.** All potential costs should be considered when selecting the modes of transportation. For example, airline travel may be cheaper than automobile when time away for work and increased meal and lodging costs are considered.

When time is important, or when the trip is so long that other modes of transportation are not cost-beneficial, air travel is encouraged.

The city will pay for tourist or economy class air travel on the lowest cost air carrier based in Nashville going to the traveler's destination, or the city closest to the destination.

Mileage credits for frequent flyer programs accrue to the individual traveler. However, the City will not reimburse for additional expenses - such as circuitous routing, extended stays, layovers to schedule a carrier, upgrading from economy to first class-seating, for travelers to accumulate additional mileage or for other personal reasons.

**City Vehicle.** The City may require the employee to drive a City vehicle. The employee is required to have a valid driver's license in their name to operate a city vehicle. The traveler is responsible for seeing that the vehicle is used properly and only for acceptable business. Eligible expenses are those directly related to the actual and normal use when proper documentation is provided.

Out-of-town repair costs must be cleared with the department head or the City Administrator before the repair is authorized.

Automobile transportation may be used when a common carrier cannot be scheduled, when it is more economical, when a common carrier is not practical, or when expenses can be reduced by two or more City employees traveling together.

**Rental Vehicle.** Use of a rental car is not permitted unless it is less expensive or otherwise more practical than public transportation. Approval of car rental is generally required in advance. The traveler must always request the government or weekend rate, whichever is cheaper. The employee driving the rental vehicle must have a valid driver's license in their name. Anyone who uses a rental car for out-of-state travel must obtain

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## Travel and Expense Policy

liability and collision coverage from the vendor. The City will reimburse the traveler for this insurance coverage on rental cars.

In nearly all cases, an intermediate size automobile is the most appropriate vehicle to rent.

A rental vehicle is not eligible for mileage reimbursement.

**Train, Bus, Taxi, Shuttle, and Other Transportation Fares.** The City will pay for the actual cost of tickets if the train or bus ticket does not exceed the lowest reasonable available airfare and associated airfare travel costs. This type of travel cannot extend the time a traveler would be away from the work place.

When an individual travel by common carrier, reasonable fares will be allowed for necessary ground transportation. Bus or shuttle service to and from airports should be used when available and practical. The traveler will be reimbursed for parking fees and mileage for travel to and from the local airport.

Reasonable transportation fares between lodging quarters and meetings, conferences, or meals are eligible expenses.

**Personal Vehicle.** Use of a private vehicle for travel must be approved in advance. The City will pay a mileage rate not to exceed the rate established by the Internal Revenue Service standard rate as of the date of travel. In no event will mileage reimbursement exceed the lowest reasonable available airfare and associated airfare travel costs.

Unless from home, the miles for reimbursement shall be paid from the origin to destination and back by the most direct route. Necessary vicinity-travel related to official City business will be reimbursed using the Rand McNally mileage calculator. Mileage requests beyond this calculation must be documented as necessary and business related.

Mileage on trips from home to a temporary work location must exceed employee's normal commute to be reimbursable. (Normal commute miles will be deducted from the mileage to or back home from the temporary work location.)

Travelers will not be reimbursed for automotive repair or breakdowns when using their personal vehicle.

If a privately-owned automobile is used by two or more travelers on the same trip, only the traveler who owns or has custody of the automobile will be reimbursed for mileage. It is the responsibility of the traveler to provide adequate insurance to hold harmless the City for any liability from the use of the private vehicle.

Local transportation should normally be by city vehicle. Local mileage will be paid in cases where a city vehicle is not available.



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## Travel and Expense Policy

**8. LODGING**

Authorized travelers shall be reimbursed for actual, reasonable and necessary expenses incurred for lodging in a publicly licensed lodging facility during official business travel requiring an overnight stay. The traveler shall request conference, government or weekend rates, whichever is cheaper when making lodging reservations. Authorized travelers sharing lodging shall report on a pro rata basis.

Travelers may stay at conference hotel(s) at conference / training / event rate, including a comparable rate hotel if conference / training / event hotels are filled.

**9. MEALS**

Travel meals comprise meals when there is an overnight stay. (An overnight stay is typically for travel beyond the Middle Tennessee region of the state.)

Meals provided when there is not an overnight stay may be eligible business meals.

The City of Franklin will pay reasonable and customary amount for meal expenses. This is subject to a maximum amount depending on the location of the travel. Meal amounts per day are not to exceed the federal per diem meals breakdown for the continental U.S. (CONUS) developed by the United States General Services Administration. On the first and last day of travel, the maximum is 75% of the CONUS per diem meals breakdown. The daily rate for meals would also be reduced for any meal provided at a conference / training / event (using the rate for that meal).

Should an authorized traveler pay for the total cost of a meal shared with other authorized travelers, the total will be reimbursed to the paying traveler if the other travelers are identified on the original receipt.

**10. OTHER ELIGIBLE EXPENSES**

**Baggage Handling.** An allowance of \$4 for hotel/motel check-in and baggage handling will be reimbursable without documentation or original receipts on days of check-in and check-out only.

**Gratuities at Restaurants.** Reasonable gratuities at full-service restaurants are eligible travel expenses. The gratuity needs to not exceed 20%.

**Phone Calls.** The traveler may be reimbursed for up to \$5 per day for personal phone calls to his or her residence and/or family while on official travel. The traveler should check before making a long-distance call to be certain of the charge that may be applied.

**Sales Tax and Hotel/Motel Tax.** Sales tax and hotel/motel taxes paid while traveling are eligible expenses.

**Tolls.** Reasonable tolls will be allowed when the most direct travel route requires them.

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## Travel and Expense Policy

**11. NON-ELIGIBLE EXPENSES**

The following items are non-eligible travel expenses. However, these are provided only as a guideline and not necessarily a complete list:

- a. Accidents and breakdowns in employee-owned vehicles,
- b. Airline or other travel insurance,
- c. Alcoholic beverages,
- d. Barbers and hairdressers,
- e. Car washes for employee-owned vehicles,
- f. Entertainment expenses,
- g. Fines for traffic or parking violations,
- h. Golf fees,
- i. Kennel costs for pets,
- j. Laundry and valet service,
- k. Mileage and lodging expenses incurred within the City limits unless approved in advance by the City Administrator,
- l. Private aircraft unless approved in advance by the City Administrator,
- m. Spa/salon services,
- n. Traffic fines and parking tickets, and
- o. Transportation costs incurred for personal purposes are not reimbursable.

**12. TRAVEL PAY**

The City uses U.S. Department of Labor regulations for travel pay. The regulations determine pay based on the nature of travel. Only non-exempt employees are eligible for travel pay.

**13. SPECIAL CIRCUMSTANCES**

The City Administrator may address special circumstances and issues not covered in this policy.

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Disbursements Policy

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### Disbursements Policy

#### 1. General Policy

This policy applies to all non-payroll disbursements of The City of Franklin. (Payroll disbursements are addressed in the City's Human Resources Manual.)

Other than the purchasing card program that is overseen by the City's Purchasing Office, the Finance Department oversees disbursements for the City. Specific payment responsibilities, as described in this policy, are delegated to departments. All who have responsibility for any aspect of the City's payment functions are to adhere to the provisions of this policy. (Exceptions, if any, will be handled as described in Section 13).

#### 2. Payment Responsibilities

**To ensure best practices, the following disbursements responsibilities are in place:**

- **Procurement.** Departments should strive to separate, as much as possible, the functions of purchasing, receiving, and approving payments.
- **Payment Approval.** The authorized departmental approver must not be the recipient of the funds disbursed.
- **Vendor Maintenance.** A person in Finance who does not perform payment processing should perform vendor maintenance.
- **Payment Processing and Review.** The person processing payments in Finance should have a 2<sup>nd</sup> person in Finance review prior to disbursement.
- **Payment Recording.** A person in Finance who does not process or review disbursements should record the transactions.
- **Post-payment review.** Both the department and Finance should review budget information to ensure that all financial transactions are appropriate.

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### Disbursements Policy

#### 3. Payment Methods

Although departments shall advise the Finance Department as to the method of payment that best meets the needs of the City, payment by electronic means is the default method of payment.

**Purchasing Cards**, which streamline the payment for most goods and services, is the default method for payments to vendors who accept credit cards. (The advantages of using the City purchasing card in lieu of accounts payable is the reduced time required to process payments, the vendor is paid sooner, and a rebate is available on most purchases made using the purchasing card.)

**Direct Deposit (ACH)**, which consists of bank account information being provided by the vendor to the City, is the default payment method for:

- non-construction-related procurements through the Purchasing Office,
- construction-related procurements typically overseen by Engineering,
- employee reimbursements (using primary payroll bank account), and
- vendors who do not accept credit cards.

**Automatic Withdrawal**, which consists of bank account information being provided to the vendor to initiate scheduled withdrawals, is the default payment method for utility payments.

**Wire Transfer**, which is a same day payment method that requires two persons to approve transfer, is the default payment method for debt service, lease payments, and investments.

**Checks** are issued to vendors who do not accept electronic payments and other payments where electronic payment is not cost effective.

**Petty Cash** may be needed by departments that require frequent cash purchases for minor items. Petty cash may not be used to pay for services or to compensate employees.

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## 4. Payment Fees

Many vendors that accept the City's purchasing card do not add on a convenience fee and/or surcharge to the amount of the purchase. However, some vendors have an established fee for accepting electronic payments. In instances where payment of the fee is more cost effective than processing the payment through accounts payable, the payment fee may be paid.

## 5. Authorized Approvers

The department director is the default authorized approver. The department director must provide written authorization to designate additional individuals in their departments as authorized approvers. The Finance department maintains a list of authorized approvers.

Payment requests over \$100,000 are to be approved by the department director or higher. Payment requests under this amount may be approved by the department director or departmental designee.

## 6. Invoice Approvals

Departments are responsible for reviewing, approving and allocating to the proper budget code all invoices submitted for payment. All payments are made by the Finance Department except for those made by purchasing card.

A full, legible signature of the individual authorizing payment is required. Initials are not accepted. The approval signature signifies that the request for payment complies with the following conditions:

- Is necessary.
- Is for a valid municipal purpose.
- Is received, or is an authorized prepayment.
- Is from the correct account.
- Is for the correct amount.
- Is not a duplicate payment.
- Is timely to ensure no penalties.
- Does not exceed available budgeted amounts.
- Has been procured in accordance with City purchasing policies.
- Complies with legal restrictions.

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### Disbursements Policy

- Complies with applicable contractual, grant, and/or debt restrictions.
- Includes accurate supporting documentation.

#### 7. Disbursements Documentation

It shall be the responsibility of the department to provide sufficient and accurate documentation to the Finance Department for prompt payment. Such documentation shall include invoices, packing lists, and receiving forms or other evidence of receipt. Payments are not made from vendor statements.

Additional documentation is needed for the following types of payments:

**For Non-Construction-Related Procurement Payments**

Inclusion of the purchase order number (where applicable) and receiving document (or similar document.)

**For Construction-Related Procurement Payments**

Inclusion of the project number (where applicable), contract number, and contractor's payment application (or similar document) with remaining contract balance.

**For Employee Reimbursement Payments**

Inclusion of employee identification number and/or name. (Where applicable, state and federal requirements, such as HIPAA privacy regulations, will be followed).

**For Capital Asset Payments**

Inclusion of asset's description and identifying number(s).

**For Grant and Reimbursement Payments**

Inclusion of the grant or reimbursement number (where applicable).

**For Bond and Lease Payments**

Inclusion of the bond or lease number (where applicable).



## CITY OF FRANKLIN

### Disbursements Policy

#### 8. Payment Minimum

Due to historical experience of checks for small amounts remaining uncashed, payments under a threshold established by the Finance Department, will not be issued unless requested. These amounts will be submitted to the State's unclaimed property division when due.

#### 9. Timeframe for Vendor Payments

Departments are to obtain invoices from vendors as soon as services or goods are provided. During most of the year, payments to vendors generally occur within 30 days of invoice date. Prompt payment discounts are to be taken.

At fiscal year-end, payments need to occur by July 31 each year. (This abbreviated timeframe is necessary due to State's requirement that the City's annual financial records must be closed within 60 days.)

The City of Franklin does not make invoice payments prior to the due date and/or completed service or goods received unless it is specified in an agreement prior to the procurement.

#### 10. Urgent Payment Requests

Prior to the beginning of a calendar year, the Finance Department distributes the accounts payable schedule to departments. However, urgent payment requests may arise from time to time.

When an urgent payment is needed, the department is to provide justification for the urgency. If the urgency is not verified by Finance, the payment will be made according to the regular accounts payable schedule.

#### 11. Advance Payments to Vendors

Generally, payment for goods or services cannot be made until after goods are received or services are provided. However, payment or partial payments can be made in the following circumstances:

- a. registrations for conferences and seminars,
- b. purchases of postage,
- c. subscriptions to trade magazines and periodicals,
- d. membership dues,
- e. payments for monthly transit management services,

## CITY OF FRANKLIN

### Disbursements Policy

- f. reservations and arrangements for City sponsored events,
- g. deposits or advance payments to vendors agreed to during the procurement process,
- h. purchases of items from specialty establishments requiring payment accompany the order, and
- i. benefit contributions, such as pension or insurance contributions.

#### 12. Procedures

The Finance Department will implement procedures that are in accordance with this policy.

#### 13. Exceptions to Policy/Reporting of Exceptions

If a valid payment request arises that is not covered within this policy, the City Administrator may authorize the payment request. The payment exception will be reported at the next available Board meeting as an action on behalf of the Board by the City Administrator.

## **City of Franklin, Tennessee Insurance Requirements**

**City Contract No. 2019-0334 (for Harlinsdale horse arena maintenance consulting services)**

Before delivery commences of the services pertaining to the City of Franklin, Tennessee ("City") contract referenced above ("Project"), Kiser Arena Specialists ("Service Provider") shall provide one or more certificates of insurance providing evidence of the following minimum types and limits of unexpired insurance coverage:

Type of Coverage	Limits of Coverage	Certificate of Insurance
Commercial General Liability	<ul style="list-style-type: none"><li>• \$1,000,000 Each Occurrence</li><li>• \$1,000,000 General Aggregate</li><li>• \$1,000,000 Personal and Advertising Injury</li><li>• \$1,000,000 Products-Completed Operations Aggregate</li></ul>	Certificate of Insurance shall indicate Certificate Holder <sup>1</sup> as Additional Insured with Additional Insured endorsement attached for both Premises/Operations and Products/Completed Operations
Workers Compensation <sup>2</sup>	<ul style="list-style-type: none"><li>• Statutory Limits</li><li>• Waiver of Subrogation shall apply</li></ul>	Certificate Holder <sup>1</sup> only
Employers Liability <sup>2</sup>	<ul style="list-style-type: none"><li>• \$1,000,000 Bodily Injury Each Accident</li><li>• \$1,000,000 Policy Limit Bodily Injury by Disease</li><li>• \$1,000,000 Each Employee Bodily Injury by Disease</li></ul>	Certificate Holder <sup>1</sup> only

If and when insurance coverage documented by the certificate(s) of insurance referenced above expires before the supply and delivery by the Service Provider and the acceptance by the City of all of the products and/or services ordered from the Service Provider, pursuant to the Project, then the Service Provider shall immediately suspend work or supply, and the City may suspend payment for products thereafter delivered and services thereafter rendered by the Service Provider, unless and until the Service Provider provides the City with one or more replacement certificates of insurance for unexpired insurance coverage that meets or exceeds the insurance requirements as specified above.

In the event that insurance coverage documented by the certificate(s) of insurance referenced above is materially modified or canceled before the supply and delivery by the Service Provider and the acceptance by the City of all of the products and/or services ordered from the Service Provider, pursuant to the Project, then the Service Provider shall, immediately upon learning of any such material modification or cancelation, suspend work or supply and shall, within three (3) calendar days of such learning, notify the City of any such material modification or cancelation, and the City may suspend payment for products thereafter delivered and services thereafter rendered by the Service Provider, unless and until the Service Provider provides the City with one or more replacement certificates of insurance for unexpired insurance coverage that meets or exceeds the insurance requirements as specified above.

Service Provider agrees to impose City's insurance requirements upon any subcontractors it utilizes for the Project. Use of any subcontractor for the Project shall have been approved by City in advance of that subcontractor commencing work for the Project.

<sup>1</sup> Certificate Holder shall be listed as follows:  
City of Franklin  
109 3<sup>rd</sup> Ave. South  
Franklin, TN 37064

<sup>2</sup> Workers Compensation and Employers Liability coverages are not required for Tennessee employers with fewer than five (5) employees except that employers in the construction business or trades (construction service providers) are required to carry Workers Compensation coverage unless they are sole proprietors or partners with no employees.



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

12/5/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER  
Andreini & Company-Okla City  
14101 Wireless Way, Suite 350  
Oklahoma City OK 73134

## CONTACT

NAME:

PHONE (A/C, No, Ext): 650-573-1111

FAX

(A/C, No): 650-378-4361

E-MAIL

ADDRESS:

## INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: Texas Mutual Insurance Co.

22945

INSURER B: Fireman's Fund Ins. Co.

21873

INSURER C: National Surety Corporation

21881

INSURER D: Employers Mutual Casualty Co

21415

INSURER E: Argonaut Insurance Company

19801

INSURER F:

INSURED  
Kiser Arena Specialists, Inc.  
Bob & Linda Kiser  
PO Box 1719  
Gainesville TX 76241

KISER-1

## COVERAGES

CERTIFICATE NUMBER: 691291305

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR (NSD) WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
D E	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:	Y	6D13250 121MPL016012500	11/10/2019 11/10/2020	11/10/2020 11/10/2020	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ Excluded PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 E&O \$ 1,000,000
B	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input checked="" type="checkbox"/> OWNED AUTOS ONLY <input checked="" type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS ONLY		MZA80339745	7/26/2019	7/26/2020	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
D	UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED RETENTION \$		6J13250	11/10/2019	11/10/2020	EACH OCCURRENCE \$ 1,000,000 AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N/A	0001240674	7/26/2019	7/26/2020	<input checked="" type="checkbox"/> PER STATUTE E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
C	Equipment		FRM06705190	7/26/2019	7/26/2020	Rented/Borrowed Equip Ded. 500,000 1,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Certificate Holder is named Additional Insured with respect to General Liability per attached endorsement.

Workers' Compensation Waiver of Subrogation applies. Endorsement to follow upon issuance from carrier.

## CERTIFICATE HOLDER

City of Franklin  
109 3rd Ave. South  
Franklin TN 37064

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **GENERAL LIABILITY ELITE EXTENSION – TEXAS**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL GENERAL LIABILITY COVERAGE FORM**

The COMMERCIAL GENERAL LIABILITY COVERAGE FORM is amended to include the following clarifications and extensions of coverage. The provisions of the Coverage Form apply unless modified by endorsement.

#### **A. EXPECTED OR INTENDED INJURY**

**Section I – Coverage A, Exclusion a.** is amended as follows:

- a. "Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

#### **B. NON-OWNED WATERCRAFT**

**Section I – Coverage A, Exclusion g.(2)** is amended as follows:

(2) A watercraft you do not own that is:

- (a) Less than 60 feet long; and
- (b) Not being used to carry person(s) or property for a charge;

#### **C. EXTENDED PROPERTY DAMAGE COVERAGE**

**Section I – Coverage A, Exclusions j.(3) and (4)** is amended to add the following:

Paragraphs (3) and (4) of this exclusion do not apply to tools or equipment loaned to you, provided they are not being used to perform operations at the time of loss.

<b>SCHEDULE</b>	
<b>Limits Of Insurance</b>	<b>Deductible</b>
<b>\$5,000 Each Occurrence</b>	<b>\$250 Per Claim</b>
<b>\$10,000 Annual Aggregate</b>	

- a. The each occurrence limit listed above is the most we will pay for all damages because of "property damage" to property in the care, custody and control of or property loaned to an insured as the result of any one "occurrence", regardless of the number of:

- (1) insureds;
- (2) claims made or "suits" brought;
- (3) persons or organizations making claims or bringing "suits".

The aggregate limit listed above is the most we will pay for all damages because of "property damage" to property in the care, custody and control of or property loaned to an insured during the policy period.

Any payment we make for damages because of "property damage" to property in the care, custody and control of or property loaned to an insured will apply against the General Aggregate Limit shown in the declarations.

- b. Our obligation to pay damages on your behalf applies only to the amount of damages in excess of the deductible amount listed above. We may pay any part or all of the deductible amount listed above. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and upon notification by us, you will promptly reimburse us for that part of the deductible we paid.
- c. If two or more coverages apply under one "occurrence", only the highest per claim deductible applicable to these coverages will apply.
- d. Insurance provided by this provision is excess over any other insurance, whether primary, excess, contingent or any other basis. Since insurance provided by this endorsement is excess, we will have no duty to defend any claim or "suit" to which insurance provided by this endorsement applies if any other insurer has a duty to defend such a claim or "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

#### **D. PROPERTY DAMAGE – ELEVATORS**

**Section I – Coverage A.2. Exclusions** paragraphs j.(3), j.(4), j.(6) and k. do not apply to use of elevators.

This insurance afforded by this provision is excess over any valid and collectible property insurance (including any deductible) available to the insured and **Section IV – Commercial General Liability Conditions Paragraph 4. Other Insurance.**

#### **E. FIRE, LIGHTNING OR EXPLOSION DAMAGE**

Except where it is used in the term "hostile fire", the word fire includes fire, lightning or explosion wherever it appears in the Coverage Form.

Under **Section I – Coverage A**, the last paragraph (after the exclusions) is replaced with the following:

Exclusions c. through n. do not apply to damage by fire, smoke or leakage from automatic fire protection systems to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **Section III – Limits of Insurance**.

#### **F. MEDICAL PAYMENTS**

If **Section I – Coverage C. Medical Payments Coverage** is not otherwise excluded from this Coverage Form:

The requirement, in the Insuring Agreement of Coverage C., that expenses must be incurred and reported to us within one year of the accident date is changed to three years.

#### **G. SUPPLEMENTARY PAYMENTS**

**Supplementary Payments – Coverages A and B** Paragraphs 1.b. and 1.d. are replaced by the following:

1.b. Up to \$5,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

1.d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.

#### **H. SUBSIDIARIES AS INSURED**

**Section II – Who Is An Insured** is amended to add the following:

1.f. Any legally incorporated subsidiary in which you own more than 50% of the voting stock on the effective date of this policy. However, insured does not include any subsidiary that is an insured under any other general liability policy, or would have been an insured under such a policy but for termination of that policy or the exhaustion of that policy's limits of liability.

#### **I. BLANKET ADDITIONAL INSURED – AS REQUIRED BY CONTRACT**

1. **Section II – Who Is An Insured** is amended to include as an additional insured any person(s) or organization(s) subject to provisions in Paragraph 2. below, (hereinafter referred to as additional insured) when you and such person(s) or organization(s) have agreed in a written contract or written agreement that such person(s) or organization(s) be added as an additional insured on your policy provided that the written contract or agreement is:

- a. Currently in effect or becomes effective during the policy period; and
- b. Executed prior to an "occurrence" or offense to which this insurance would apply.

However, the insurance afforded to such additional insured:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured; and
- c. Applies only if the person or organization is not specifically named as an additional insured under any other provision of, or endorsement added to, **Section II – Who Is An Insured** of this policy.

2. As provided herein, the insurance coverage provided to such additional insureds is limited to:

- a. Any Controlling Interest, but only with respect to their liability arising out of their financial control of you; or premises they own, maintain, or control while you lease or occupy these premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

- b. Any architect, engineer, or surveyor engaged by you but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

- (1) In connection with your premises; or
- (2) In the performance of your ongoing operations.

With respect to the insurance afforded to these additional insureds, the following additional exclusion applies:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or the failure to render any professional services by or for you, including:

- (1) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
- (2) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional services by or for you.

- c. Any manager or lessor of a premises leased to you, but only with respect to liability arising out of the ownership, maintenance or use of that part of a premises leased to you, subject to the following additional exclusions:

This insurance does not apply to:

- (1) Any "occurrence" which takes place after you cease to be a tenant in that premises.
  - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.
- d. Any state or governmental agency or subdivision or political subdivision, subject to the following:
    - (1) This insurance applies only with respect to the following hazards for which any state or governmental agency or subdivision or political subdivision has issued a permit or authorization in connection with premises you own, rent or control and to which this insurance applies:
      - (a) The existence, maintenance, repair, construction, erection or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoist away openings, sidewalk vaults, street banners or decorations and similar exposures; or
      - (b) The construction, erection or removal of elevators; or
      - (c) The ownership, maintenance or use of any elevators covered by this insurance.
    - (2) This insurance applies only with respect to operations performed by you or on your behalf for which any state or governmental agency or subdivision or political subdivision has issued a permit or authorization.

This insurance does not apply to:

- (a) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the federal government, state or municipality; or
  - (b) "Bodily injury" or "property damage" included within the "products-completed operations hazard".
- e. Any vendor, but only with respect to "bodily injury" or "property damage" arising out of "your products" which are distributed or sold in the regular course of the vendor's business.

With respect to the insurance afforded to these vendors, the following additional exclusions apply:

- (1) The insurance afforded any vendor does not apply to:
  - (a) "Bodily injury" or "property damage" for which any vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that any vendor would have in the absence of the contract or agreement;
  - (b) Any express warranty unauthorized by you;
  - (c) Any physical or chemical change in the product made intentionally by any vendor;
  - (d) Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
  - (e) Any failure to make such inspections, adjustments, tests or servicing as any vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
  - (f) Demonstration, installation, servicing or repair operations, except such operations performed at any vendor's premises in connection with the sale of the product;
  - (g) Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for any vendor; or

- (h) "Bodily injury" or "property damage" arising out of the sole negligence of any vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:
  - (i) The exceptions contained in Subparagraphs (d) or (f); or
  - (ii) Such inspections, adjustments, tests or servicing as any vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.
- (2) This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.
- f. Any Mortgagee, Assignee Or Receiver, but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you.  
 This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.
- g. Any Owners Or Other Interests From Whom Land Has Been Leased, but only with respect to liability arising out of the ownership, maintenance or use of that part of the land leased to you.  
 With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:
  - (1) This insurance does not apply to:
    - (a) Any "occurrence" which takes place after you cease to lease that land;
    - (b) Structural alterations, new construction or demolition operations performed by or on behalf of such additional insured.
- h. Any person or organization from whom you lease equipment, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

A person's or organization's status as an additional insured under this endorsement ends when their contract or agreement with you for such leased equipment ends.

With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

- i. Any Owners, Lessees, or Contractors for whom you are performing operations, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:
  - (1) Your acts or omissions; or
  - (2) The acts or omissions of those acting on your behalf;

(1) Your acts or omissions; or

(2) The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured.

A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

- (a) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

- (b) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

- (2) "Bodily injury" or "property damage" occurring after:
- (a) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
  - (b) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.
- j. Any Grantor of Licenses to you, but only with respect to their liability as grantor of licenses to you.
- Their status as additional insured under this endorsement ends when:
- 1. The license granted to you by such person(s) or organization(s) expires; or
  - 2. Your license is terminated or revoked by such person(s) or organization(s) prior to expiration of the license as stipulated by the contract or agreement.
- k. Any Grantor of Franchise, but only with respect to their liability as grantor of a franchise to you.
- l. Any Co-owner of Insured Premises, but only with respect to their liability as co-owner of any insured premises.
- m. Any Concessionaires Trading Under Your Name, but only with respect to their liability as a concessionaire trading under your name.
3. Any insurance provided to any additional insured does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the sole negligence or willful misconduct of the additional insured or its agents, "employees" or any other representative of the additional insured.
4. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits of Insurance:**
- If coverage provided to any additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
  - b. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

**J. COVERAGE FOR INJURY TO CO-EMPLOYEES AND/OR YOUR OTHER VOLUNTEER WORKERS**

**Section II – Who is an Insured, Paragraph 2.a. (1)** is amended to add the following:

- e. Paragraphs (a), (b), and (c) do not apply to your "employees" or "volunteer workers" with respect to "bodily injury" to a co-"employee" or other "volunteer worker".

Damages owed to an injured co-"employee" or "volunteer worker" will be reduced by any amount paid or available to the injured co-"employee" or "volunteer worker" under any other valid and collectible insurance.

**K. HEALTH CARE SERVICE PROFESSIONALS AS INSUREDS - INCIDENTAL MALPRACTICE**

**Section II – Who is an Insured, Paragraph 2.a. (1) (d)** is amended as follows:

This provision does not apply to Nurses, Emergency Medical Technicians, or Paramedics who provide professional health care services on your behalf.

However this exception does not apply if you are in the business or occupation of providing any such professional services.

**L. NEWLY FORMED OR ACQUIRED ORGANIZATIONS**

**Section II – Who Is An Insured, Paragraph 3.a.** is replaced by the following:

- 3.a. Coverage under this provision is afforded until the end of the policy period.

This provision does not apply if newly formed or acquired organizations coverage is excluded either by the provisions of the Coverage Form or by endorsements.

**M. DAMAGE TO PREMISES RENTED TO YOU**

**Section III – Limits of Insurance, Paragraph 6.** is replaced by the following:

Subject to 5.a. above, the Damage To Premises Rented To You Limit, or \$500,000, whichever is higher, is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning, explosion, smoke or leakage from automatic protection systems, while rented to you or temporarily occupied by you with permission of the owner.

## **N. MEDICAL PAYMENTS – INCREASED LIMITS**

**Section III – Limits of Insurance, Paragraph 7.** is replaced by the following:

7. Subject to Paragraph 5. above, \$10,000 is the Medical Expense Limit we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person, unless the amount shown on the Declarations of this Coverage Part for Medical Expense Limit states:
  - (a) No Coverage; or
  - (b) \$1,000; or
  - (c) \$5,000; or
  - (d) A limit higher than \$10,000.

## **O. DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, CLAIM OR SUIT**

**Section IV – Commercial General Liability Conditions Paragraph 2.** is amended to add the following:

1. The requirement in Condition 2.a. that you must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim, applies only when the "occurrence" or offense is known to:
  - (1) You, if you are an individual or a limited liability company;
  - (2) A partner, if you are a partnership;
  - (3) A member or manager, if you are a limited liability company;
  - (4) An "executive officer" or insurance manager, if you are a corporation; or
  - (5) A trustee, if you are a trust.
2. The requirement in Condition 2.b. that you must see to it that we receive notice of a claim or "suit" as soon as practicable will not be considered breached unless the breach occurs after such claim or "suit" is known to:
  - (1) You, if you are an individual or a limited liability company;
  - (2) A partner, if you are a partnership;
  - (3) A member or manager, if you are a limited liability company;
  - (4) An "executive officer" or insurance manager, if you are a corporation; or
  - (5) A trustee, if you are a trust.

## **P. PRIMARY AND NONCONTRIBUTORY – ADDITIONAL INSURED EXTENSION**

**Section IV – Commercial General Liability Conditions Paragraph 4. Other Insurance** is amended to add the following:

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

- (1) The additional insured is a Named Insured under such other insurance; and
- (2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

However, if the additional insured has been added as an additional insured on other policies, whether primary, excess, contingent or on any other basis, this insurance is excess over any other insurance regardless of the written agreement between you and an additional insured.

## **Q. UNINTENTIONAL FAILURE TO DISCLOSE EXPOSURES**

**Section IV – Commercial General Liability Conditions Paragraph 6. Representations** is amended to add the following:

If you unintentionally fail to disclose any exposures existing at the inception date of your policy, we will not deny coverage under the Coverage Form solely because of such failure to disclose. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

This provision does not apply to any known injury or damage which is excluded under any other provision of this policy.

## **R. WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

**Section IV – Commercial General Liability Condition Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us** is amended to add the following:

We waive any right of recovery we may have against any person or organization because of payments we make for injury or damage arising out of:

1. Your ongoing operations; or
2. "Your work" included in the "products-completed operations hazard".

However, this waiver applies only when you have agreed in writing to waive such rights of recovery in a contract or agreement, and only if the contract or agreement:

1. Is in effect or becomes effective during the term of this policy; and
2. Was executed prior to loss.

## **S. MENTAL ANGUISH**

**Section V – Definition 3.** is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from bodily injury, sickness or disease.

## **T. LIBERALIZATION**

If we revise this endorsement to provide greater coverage without additional premium charge, we will automatically provide the additional coverage to all endorsement holders as of the day the revision is effective in your state.