

REQUEST FOR PROPOSAL

CONSULTANT SERVICES FOR A BUSINESS CASE ANALYSIS FOR A POTENTIAL COMBINATION BETWEEN SAN JUAN WATER DISTRICT AND SACRAMENTO SUBURBAN WATER DISTRICT

A. INTRODUCTION:

San Juan Water District (SJWD) and Sacramento Suburban Water District (SSWD) are issuing this Request for Proposals (RFP) to select a qualified firm to conduct an analysis on a potential combination of the two agencies into a single entity.

Study Objective

SJWD and SSWD (the Agencies) desire to become more efficient and to minimize cost to their customers and optimize the use of their water supplies, personnel, equipment, infrastructure and other resources, as well as improve their ability to influence state and federal policies. The Agencies desire to evaluate whether or not they can better achieve these objectives by combining SJWD and SSWD into a single organization, comparing that scenario to no change to existing operations. As part of the Study for the potential combination activities, the selected consultant should 1) evaluate potential governance structures and board advisory committees to ensure customer equality and equity for both districts and achieve an overall cost benefit to the Agencies' customers, 2) perform a detailed assessment of each agency's operations, infrastructure and other assets and 3) perform detailed financial analyses of each agency's current water rates, fees, debts, retirement funding obligations, costs, and reserves, and future equities based on current capital improvement projects (CIP) plans. Also as part of the Study, the Agencies desire to understand the pros and cons of these alternatives, and to understand the compelling reasons for making any changes.

Background

In 2019, SJWD and SSWD were part of a regional effort to identify opportunities to improve collaboration and potentially merge operations into one combined district. In June 2021, the regional effort was finalized.

On June 25, 2024, a Joint Board meeting was held between SJWD and SSWD. Direction was given to the General Managers to develop a RFP for the purpose of analyzing the pros and cons of a potential combination of the two agencies.

Project Management

SSWD will be responsible for administration of the project and will be the primary contact for the consultant. The project will be overseen by the General Managers of SJWD and SSWD.

B. REQUESTED SCOPE OF WORK:

1. SERVICES DESIRED:

The following is a requested scope of work to be utilized in submitting a response.

Scope of Work Activity 1: Describe the current environment

(a) Provide general background of the Agencies

Provide an overview of current services provided, location, governance, organizational structure, service standards, policies, procedures and organizational staffing for each agency. Provide an overview of water supply, production and treatment systems and operations; distribution systems and related assets; and facilities, fleets and other capital assets.

Identify overall system condition, program/service operating goals, operating costs, water supply costs, performance data and key projects that are either planned or in execution.

Inventory and summarize Agency Capital Improvement Programs, Advanced (Master) Planning Efforts for Infrastructure, Significant Asset Management Programs, including expected future costs, and Financial Plans.

(b) Describe existing financial status

Prepare a description of the current financial environment of the Agencies, including but not limited to debt capacity and obligations, credit ratings, rate structure, financial policies, asset base, reserve levels, number of customers, annual revenues, pension/OPEB liabilities, operating expenses, water rates and connection fees, and other relevant financial factors.

Scope of Work Activity 2: Identify opportunities and challenges for the future

(a) Identify opportunities and challenges for governance structures

Evaluate and recommend a governance structure or structures, with related implementation phasing steps, for the combined entity including, but not limited to, the number of board of directors and board advisory committees and their roles. Analyze potential governance structure to ensure apportionment and customer equality and equity for both Agencies.

(b) Identify opportunities and challenges for service integration

Identify opportunities and challenges for integrating services within the Agencies including water resources and rights; water production, treatment and quality; place of use and service delivery; distribution system maintenance and repair; customer services and billing; water use efficiency; financial and human resources management; administration and executive operations; and other relevant programs. Identify existing IT systems and software and the benefits and

challenges of integrating or migrating systems. Specify which services could be integrated, the associated costs and benefits, and key factors that would need to be addressed. Identify any regulatory compliance requirements that may affect either or both Agencies over the next 10 to 20 years, and the consequences for integrating services. Recognize that there will be a growth in service connections in the future, which may differ between the Agencies.

(c) Identify opportunities and challenges for facilities integration

Identify opportunities and challenges for combining or integrating facilities (i.e., buildings and grounds, but not water treatment and distribution) that would create cost savings for the Agencies and their customers. Describe the potential benefit and the factors that would need to be addressed in integrating such facilities. Recognize that there will be a growth in service connections in the future, which may differ between the Agencies.

(d) Identify impacts and challenges for financial obligations and thresholds

Identify challenges and opportunities for combining agencies including but not limited to water rates, liabilities (including pension and OPEB liabilities), reserves, (re)financing options, and other short- and long-term obligations by each agency's rate payers.

(e) Identify opportunities and challenges in staffing resources

Identify opportunities and challenges for integrating staffing and operating units of the existing Agencies within a new combined organization, including evaluating existing salaries and benefits, organizational policies and practices and any potential changes in a combined organizational structure. Identify any potential opportunities and challenges related to staff and cost savings. Discuss benefits of a combined agency for staffing flexibility and resources opportunities.

(f) Identify outreach stakeholders and community organizations

Identify current stakeholders of the Agencies and their interests, including but not limited to customers (particularly those in Disadvantaged Communities), developers, employees and other stakeholders.

(g) Identify other potential opportunities and challenges

Both agencies are in the Sacramento area and belong to similar regional and statewide organizations. Identify and discuss potential opportunities with respect to advancing the agencies' interests at the regional, state and federal levels.

Scope of Work Activity 3: Meetings and Deliverables

(a) Meetings

Participate in three joint Board meetings, and in six stakeholder meetings. Participate in bi-weekly project management meetings with Agency General Managers and other staff.

(b) Deliverables

Consultant will provide draft Business Case Analysis for Agency review and comment, and a final Business Case Analysis that incorporates requested revisions.

2. MINIMUM QUALIFICATIONS OF CONSULTANT:

It is expected that the proposer will have experience with public sector projects of similar nature and scope, including the ability (whether directly or through a sub-consultant) to address relevant legal, financial, management/governance and operational issues. The successful proposer will demonstrate experience with a minimum of three municipally-directed projects pertaining specifically to evaluation of utility services and/or merger of public entities.

3. INSURANCE REQUIREMENTS:

The firm or individual selected to perform the work will be required to provide the insurance and indemnification shown in Exhibit B within Attachment A.

C. THE PROPOSAL:

1. FORMAT AND REQUIREMENTS:

The Proposal shall be 8-1/2" by 11", with the pages numbered sequentially, and double-sided. 1" margins shall be provided on all pages. Proposals shall be in a 12-point font and may be single or double-spaced.

Proposals shall be submitted in electronic format using Microsoft Word and Adobe Acrobat (.pdf) formats (2 files to be submitted).

2. PROPOSAL CONTENTS:

The Proposal shall include the following:

- A. Letter of Transmittal. Identify the individual or parties and provide its (their) address along with the name of a contact person and a telephone number (one page maximum).
- B. Include a general statement of the consultant's approach to conducting a financial and operational review of public utilities (two pages maximum).

- C. Describe the Firm's experience with public sector projects of a similar nature and scope. Emphasis should be placed on projects undertaken within the past three years.
- D. Identify a team organization clearly showing all key personnel (consultant employees and sub-consultants, if any) and their respective roles. Include brief summaries, up to one page of their background, knowledge, and experience relevant to the project.
- E. A general statement of the consultant's approach to conducting the required Study. This discussion should estimate the total cost for the Study (two pages maximum).
- F. Identify any sub-consultants and include the same information as described in "D".
- G. Provide a table showing the estimated hours for each position/role shown on the organization chart, as well as the individuals' availability for the Project. The staffing plan shall also include a table with the level of effort by task and subtask for each proposed staff member. Hours for sub-consultants may be shown as an aggregate total. The hours shown shall be consistent with the hours presented in the fee table that shall be submitted as a separate document.
- H. Provide a timeline for completion of the project. Any assumptions regarding turnaround time for review should be clearly noted.
- I. Provide references for your firm's three most representative projects. Include the following:
 - 1) Name of public agency
 - 2) Name and title of contact person.
 - 3) Telephone number of contact person.
 - 4) Brief description of the project including start and completion dates and your firm's role in the project.
 - 5) The telephone number and contact names of private firms involved in the project.
- J. Provide a summary of all similar projects over the past 10 years involving any Agency. This summary shall include:
 - 1) Name of public agency
 - 2) Name and title of contact person.
 - 3) Telephone number of contact person.
 - 4) Brief description of the project including start and completion dates and your firm's role in the project.
 - 5) The telephone number and contact names of private firms involved in the project.

- 6) To address any potential conflict of interest, if your firm is/has provided professional services to either of the Agencies please list the name of the agency and services provided.

3. PROJECT APPROACH:

Include a brief discussion describing your firm's approach to preparing the Study. Detail your strategy and include your vision for the final deliverable resulting from this Study.

D. THE SELECTION PROCESS:

1. MANDATORY PROPOSERS MEETING:

A mandatory proposers meeting will be held **September 3, 2024, at 4:00 p.m. PDT, at 3701 Marconi Avenue, Sacramento, CA 95821**, to provide all consulting teams with information concerning the Scope of the Study and to answer any questions. This meeting will be held in-person and Zoom. Moreover, any written questions should be submitted to Heather Hernandez via email to: hhernandez@sswd.org **by August 29, 2024**.

2. SUBMITTAL OF THE PROPOSAL:

The Proposal shall be submitted electronically using both Microsoft Word (.docx) and Adobe Acrobat (.pdf format) to Heather Hernandez via email hhernandez@sswd.org no later than **September 16, 2024**. The Technical Proposal and the Cost Proposal shall be saved as two different documents and submitted concurrently in one email. Please include a cover page with the consultant firm's name and date on the Cost Proposal which will be treated confidentially and only be reviewed or presented if selected for the interview process.

3. CRITERIA FOR EVALUATION OF PROPOSALS

The Agencies will evaluate and rank Proposals according to the criteria listed below.

- The firm's recent demonstrated experience and knowledge in successfully completing projects of a similar nature, complexity, including associated references.
- The proposed team's recent demonstrated experience and knowledge of successfully completing projects of a similar nature, complexity and size. Relevant experience of the proposed project manager and other key personnel is of high importance.
- Understanding of the project objectives and issues.
- A thoughtful, realistic, and clearly articulated project approach.
- Ability of the team to complete the work in a timely and cost-effective fashion.
- Ability to work collaboratively and communicate effectively with both Agencies' representatives.
- Compliance with proposal requirements.
- Level of effort

The above criteria will be weighted as follows:

Criteria	Weight
Qualifications of Key Personnel	30%
Qualifications of the Firm	20%
Project Approach	20%
Project Schedule	10%
Level of Effort	15%
Clarity and Responsiveness of Proposal	5%
Total	100%

4. PROPOSAL REVIEW:

Qualifications will be evaluated by the General Managers of the Agencies. Submittals will be evaluated according to project understanding by the consultant, and the qualifications of your key personnel and firm in providing services of a similar nature and how relevant that experience is to this project.

The top two to four proposers will be invited for an interview on or about **September 30, 2024**. The interviewing panel will be comprised of the General Managers of SJWD and SSWD. Proposers may be invited to additional interviews on another date if requested.

The Consultant selected to perform the Study will be notified by October 4, 2024.

5. AWARD:

The top ranked party will be invited to enter into negotiations with the Agencies on the terms of a consultant contract based on a final proposal to be submitted at that time. The negotiations will occur in **October of 2024**. If a satisfactory agreement cannot be negotiated, then the same process will be undertaken with the next highest ranked party until a satisfactory agreement can be reached. The Agencies desire to execute a contract in by the **end of October, 2024** and to begin providing services immediately.

The Consultant, as an independent contractor, will report to the General Managers from the Agencies. SSWD staff will provide contract administration and project coordination. The Agencies reserve the right to reject all proposals, directly contract with any proposer or non-proposer and request additional information.

6. CONFLICT OF INTEREST:

By submitting a Proposal, the Respondent declares and warrants that no elected or appointed official, officer or employee of the Agencies has been or shall be compensated, directly or indirectly, in connection with the award of the Agreement or any work for the proposed project.

E. CONCLUSION:

If you have any questions, or need additional information, please contact Dan York at dyork@sswd.org or 916-679-3973.

Sincerely,

Dan York
General Manager, SSWD

Attachments: A – Professional Services Agreement
B – Conflict of Interest form

**Attachment A
PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT, made and entered into this ____ day of _____, 20____, by and between the Sacramento Suburban Water District (hereinafter referred to as "SSWD"), in conjunction with San Juan Water District (collectively, "Agencies"), and _____, (hereinafter referred to as "Consultant").

RECITALS

SSWD requires the services of Consultant to: (insert finalized Scope of Work)

Consultant warrants it possesses the distinct professional skills, qualifications, experience, and facilities necessary to timely perform the services described in this Agreement. Consultant acknowledges that Agencies have relied upon said warranties to retain Consultant.

AGREEMENT

NOW, THEREFORE, SSWD and Consultant hereby agree that the aforementioned recitals are true and correct and further agree as follows:

1. Retention as Consultant. SSWD hereby retains Consultant on behalf of Agencies, and Consultant hereby accepts such engagement, to perform the services described in Section 3 below and subject to the terms and conditions contained in this Agreement.

2. Relationship of Parties – Independent Contractors. The relationship of the parties shall be that of independent contractors. In no event shall Consultant, or its agents, representatives, employees, consultants, contractors or subcontractors be considered an officer, agent, servant or employee of the SSWD or Agencies. Consultant shall be solely responsible for any workers' compensation insurance, withholding taxes, unemployment insurance, and any other employer obligations associated with the performance of the services under this Agreement.

3. Description of Services. Consultant shall provide professional _____ services to identify ways the Agencies can become more efficient in working together to deliver water services to our communities; look for ways to expand coordination and cooperation as well as identify opportunities for integrating programs, services, and activities to create efficiencies, improve results and achieve an overall cost benefit to the community;

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and study the potential of service coordination and integration as more particularly set forth in Exhibit "A" attached hereto.

4. Consultant's Responsibilities. In the performance of services under this Agreement, Consultant shall:

(a) Diligently perform all services required under this Agreement and continuously furnish the necessary personnel to complete such services in a timely manner;

(b) Perform all services under this Agreement in a manner commensurate with industry, professional, and community standards;

(c) At its own cost and expense, comply with all statutes, ordinances, regulations and requirements of all governmental entities, including federal, state, county or municipal, whether now in force or hereinafter enacted;

(d) Obtain and keep in effect during the term of this Agreement, at its sole cost and expense, all necessary licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of Consultant to practice its profession and to provide the services under this Agreement;

(e) Be readily available to the General Managers to answer any and all questions, inquiries and correspondence from Agencies or interested persons referred to Consultant by the General Managers related to the performance of the services under this Agreement;

(f) Discuss and review all matters related to the performance of services under this Agreement with the General Managers in advance of all critical decision points in order to ensure the work proceeds in a manner consistent with the Agencies' goals and policies; and,

(g) Consultant shall keep and maintain records and invoices related to services provided under this Agreement for a minimum period of three (3) years from the date of final payment to Consultant, or for a longer period as may be required by law. Such records and invoices shall include, but not be limited to, financial records, time sheets, work progress reports, bills and project records. All such records and invoices shall be clearly identifiable, and organized in a reasonable manner.

(1) Consultant shall make such records and invoices immediately available to SSWD upon delivery of a written request to examine, audit, or copy such records and invoices.

- (2) Within three (3) business days of the delivery of a written notice by SSWD, Consultant shall prepare and submit a written report to SSWD, with copies for SJWD, identifying the work in progress, charges incurred to date, and the anticipated cost of completion.
- (3) Consultant shall give SSWD thirty (30) days written notice of its intent to destroy or otherwise dispose of the records and invoices to allow SSWD or SJWD an opportunity to take possession.

5. Compensation and Payment.

(a) The total compensation payable by SSWD to Consultant for services described in this Agreement **SHALL NOT EXCEED** the sum of \$_____ (hereinafter "not to exceed amount"), except for such extra services as may be authorized pursuant to Section 6 below. Compensation shall be earned as provided in Exhibit "A."

(b) SSWD shall pay Consultant no later than 30 days after SSWD receives and verifies a written invoice from Consultant in a form satisfactory to the Management Committee. At a minimum, Consultant's invoice shall contain a description of the services performed and/or the specific task completed from Exhibit "A". Consultant shall not submit invoices to SSWD more frequently than once a calendar month.

(c) The compensation set forth in this Agreement shall constitute the total compensation for all costs of the services provided by Consultant, including, but not limited to, direct costs of labor of employees engaged by Consultant, travel expenses, telephone charges, typing, duplication, computer time, and any and all other costs, expenses, and charges incurred by Consultant, its agents and employees to provide the services described in this Agreement.

6. Extra Services. Consultant shall provide, and SSWD shall pay for, such extra services agreed to in writing by the parties that are not reasonably included within the services described in Section 3 above. The total cumulative compensation for all extra services under this Agreement shall not be more than 10% of the not to exceed amount.

7. Term. The term of this Agreement shall commence on date this agreement is executed by both parties.

8. Termination by SSWD or SJWD. Upon thirty (30) calendar days written notice to Consultant, SSWD or SJWD may terminate any portion or all of the services described in this Agreement. In the event of such termination, Consultant shall have the right and obligation to immediately assemble all work in progress for the purpose of winding up the terminated services. All compensation for actual Consultant Services for a Business Case Analysis for a Potential Combination between San Juan Water District and Sacramento Suburban Water District

work performed and charges outstanding at the time of termination shall be payable in accordance with Section 5(b) above.

9. No Assignment. No portion of this Agreement shall be assigned or subcontracted by Consultant without SSWD's or SJWD's express written consent. The term "assignment" shall include any sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or party to a joint venture, which results in a change of control of Consultant. Control means fifty percent or more of the voting power, or twenty-five percent or more of the assets of the corporation, partnership or joint-venture.

10. Project Manager. Consultant's services under this Agreement shall be performed under the general direction of Dan York, or such person as the Agencies may designate.

11. Ownership of Documents. All drawings, designs, data, photographs, reports and other documentation prepared or obtained by Consultant in the performance of the services contemplated by this Agreement shall be the property of the Agencies and shall be delivered to the Agencies upon demand.

12. Confidentiality. Consultant shall not disclose confidential or proprietary information or knowledge received directly or indirectly from the Agencies to anyone other than Consultant's employees necessary to perform the services described in this Agreement. This obligation shall survive termination and remain in full force and effect until the records kept and maintained pursuant to Section 4(g)(3) above, and any copies thereof, are destroyed or returned to the Agencies.

13. Hold Harmless and Indemnity. Consultant agrees to defend, indemnify and hold Agencies, their elected officials, officers, directors, employees, agents and designated volunteers harmless from and against any and all loss, liability, damage, including but not limited to reasonable attorney, consultant and expert fees and/or court costs, arising out of or in connection with this Agreement, except for the gross negligence and willful misconduct of Agencies, their elected officials, officers, directors, employees, agents and designated volunteers.

In addition to the above indemnification obligations, Consultant shall correct, at its own expense, all errors in the services provided. Should Consultant fail to make such correction in a timely manner, Agencies shall make the correction and charge the cost thereof to Consultant.

14. Insurance. For the duration of this agreement, Consultant shall procure and maintain, at its own cost, insurance in the amounts and under the terms set forth in Exhibit "B" attached hereto against claims for injuries to persons or

damages to property which may arise from or in connection with the performance of the work to provide the services described in this Agreement by Consultant, its agents, representatives, or employees. Consultant agrees to comply with any changes in the amounts and terms of such insurance as may be required from time to time by the Agencies, upon reasonable written notice.

15. Acceptance of Final Payment. Consultant's acceptance of final payment made under this Agreement, by negotiating SSWD's check or otherwise, shall release the Agencies from all claims and liabilities for compensation under this Agreement.

16. Acceptance of Work. The approval, payment and/or acceptance of the work or services performed under this Agreement by SSWD, shall not constitute or be deemed a release of the responsibility or liability of Consultant, its agents, employees, consultants, contractors, and/or subcontractors for the accuracy and competency of the services performed and/or information provided under this Agreement; nor shall such action be deemed an assumption of Consultant's responsibility or liability by the Agencies for any defect or error in Consultant's services.

17. Waiver; Remedies. A party's failure to insist upon the strict performance of any provision of this Agreement by the other party ("breaching party"), irrespective of the length of time for which such failure continues, shall not constitute a waiver of the non-breaching party's right to demand strict compliance in the future. A waiver shall not be effective or binding unless made in writing by the non-breaching party, and may not be implied from any omissions by the non-breaching party. A written waiver shall not constitute a continuing waiver of any subsequent breach of the same or a different provision of this Agreement.

All of the remedies permitted or available under this Agreement, or at law or in equity, shall be cumulative and alternative, and the invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other available right of remedy.

18. Notice. Any notice required to be given hereunder shall be deemed to have been given by depositing said notice in the United States mail with copies for all Agencies, postage prepaid, and addressed as follows:

TO SSWD: Attention: Dan York
 General Manager
 Sacramento Suburban Water District
 3701 Marconi Avenue
 Sacramento, California 95821

TO CONSULTANT: _____

Either party may change such address or contact person by written notice by registered mail to the other.

19. Conflict of Interest. Consultant is unaware of any Agency employee or official that has a financial interest in Consultant's business. During the term of this Agreement and/or as a result of being awarded this Agreement, Consultant shall not offer, encourage, or accept any financial interest in Consultant's business by any Agency employee or official.

20. Construction of Language. The provisions of this Agreement have been arrived at through negotiation and each party had a full and fair opportunity to revise the provisions and have them reviewed by legal counsel. The parties agree that any ambiguities in construing or interpreting this Agreement shall not be resolved against either party as the drafting party. In the event of an inconsistency or conflict between the language of this Agreement and an attachment hereto, the language of the Agreement shall control.

21. Non-Exclusive Agreement. The Agencies reserve the right to engage other consultants in connection with the services described in this Agreement.

22. Entire Agreement. This Agreement, including the attachments hereto, supersede any other agreements, either oral or written, between the parties with respect to the described services, and this Agreement contains all of the covenants and agreements between the parties with respect to said services. Any modification to this Agreement must be in writing and signed by both parties.

23. Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

In concurrence and witness whereof, and in recognition of the mutual consideration provided therefore, the parties have caused this Agreement to be executed on the date first written above.

CONSULTANT:

By:
Title:

SSWD

Dan York
General Manager

Attachments:

- Exhibit A – Scope of Work
- Exhibit B – Insurance Coverage

Exhibit B

INSURANCE COVERAGE

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, his agents, representatives, or employees.

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. Insurance Services Office Commercial General Liability coverage (occurrence form CG 0001).
2. Insurance Services Office form number CA 0001 covering Automobile Liability, code 1 (any auto).
3. Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

Minimum Limits of Insurance

Consultant shall maintain limits no less than:

1. General Liability, including operations, products and completed operations, as applicable:
\$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability:
\$1,000,000 per accident for bodily injury and property damage.
3. Employer's Liability:
\$1,000,000 per accident for bodily injury or disease.

Deductibles and Self-Insured Retention

Any deductibles or self-insured retention must be declared to and approved by SSWD. At the option of the Agencies, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agencies, their officers, officials, employees and volunteers; or the Consultant shall provide a financial guarantee satisfactory to SSWD guaranteeing payment of losses and related investigations, claim administration and defense expenses.

Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1. The Agencies, their officers, officials, employees and designated volunteers are to be covered as insureds as respects: liability arising out of activities performed by or on behalf of the Consultant; or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agencies, their officers, officials, employees or volunteers.
2. For any claims related to this project, the Consultant's insurance coverage shall be primary insurance as respects the Agencies, their officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agencies, their officers, officials, employees or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
3. Any failure to comply with reporting or other provisions of the policy including breaches of warranties shall not affect coverage provided to the Agencies, their officers, officials, employees or volunteers.
4. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
5. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Agencies.

Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to SSWD.

Verification of Coverage

Consultant shall furnish SSWD certificates of insurance and endorsement(s) effecting coverage to the Agencies for approval. The endorsements shall be on forms acceptable to SSWD. All certificates and endorsements are to be received and approved by SSWD before work commences. The Agencies reserve the right to require complete, certified copies of all insurance policies required by this section.