

**ADMINISTRATIVE CODE  
BOARD OF COUNTY COMMISSIONERS**

<b>CATEGORY:</b> <b>Safety/Risk Management</b>	<b>CODE NUMBER :</b> <b>AC-7-1</b>
<b>TITLE:</b> <b>Risk Management Requirements for Contracts</b>	<b>ADOPTED:</b> <b>03/04/81</b>
	<b>AMENDED:</b> <b>09/21/94; 08/09/05</b>
	<b>ORIGINATING DEPARTMENT</b> <b>County Administration/Budget Services</b>
<b>AUTHORITY</b>	Lee County Board of County/Commissioners/Budget Services/Risk Management
<b>PURPOSE</b>	The purpose of this revision is to minimize the County’s exposure and to clearly identify the role of Risk Management in the development of any contract or agreement, whereby that contract or agreement transfers and or assumes risks of another party.
<b>APPLICABILITY</b>	All Divisions, Departments and staff members employed by Lee County Board of County Commissioners (BoCC).
<b>POLICY &amp; PROCEDURE</b>	<p>The County is self-funded and relies on sovereign immunity as outlined by s. 768.28, F.S. As a result Risk Management will review and counsel with staff as necessary in contract development.</p> <p>No independent contractor, sub-contractor, trades person, or vendor will be allowed to perform their work on behalf of BoCC, unless there is a legal contract between parties. As effort to transfer risk whenever possible, the contract will include the following; an indemnification agreement in favor of the County; the County will be named as an “Additional Insured” on the Contractor policy, as outlined by Risk Management; the Contractor will provide proof of insurance in the form of a certificate of insurance to County Risk Management.</p>

**AC-7-1 (Continued)**

**LEASE AGREEMENTS**

Indemnification language normally found in lease agreements is problematic for public entities. Therefore, special attention must be given by Risk Management and County Attorney's Office before the lease agreement is signed by all parties. It is Risk Manager's recommendation that the departments attempt to avoid lease agreements, wherever possible.

The County Attorney, Risk Management and or County Manager's offices has the sole authority to waive the proof of insurance requirements whenever appropriate.

The Board of County Commissioners has authorized the County Manager or designee to approve procedural revision to this Administrative Code as necessary.

**RISK MANAGEMENT**

Risk Management will consider s.725.06, F.S. when establishing construction contracts insurance limitations. In addition, Risk Management will review and consider the contract's scope of work, estimated cost and duration, when setting the appropriate type of insurance and minimum limits of liability.

**CONTRACTS MANAGEMENT**

As formally adopted by AC 4-4, Contracts Manual are maintained by Public Works. Contract Management's procedures are contained therein.

**EMPLOYEE'S SUPERVISOR**

Accordingly, BoCC staffers will forward all contracts described in this AC to County Attorney's Office and Risk Management for review and comments.

**EMPLOYEE'S SUPERVISOR**

Before any work is performed by an independent contractor, for Lee County, the respective Department will obtain the following; indemnification language acceptable to the County Attorney's Office and proof of appropriate insurance outlined by Risk Management. If at anytime that it is determined that the contractor's and or sub-contractor's insurance is cancelled, non-renewed, and or the insurance is inadequate, the respective department will order the contractor and or sub-contractor to "stop work" until which time the problem is corrected and verified by Risk Management.

**AC-7-1 (Continued)**

COUNTY  
ATTORNEY

Will review all contracts to determine legal sufficiency.

RISK  
MANAGEMENT

Will review all contracts to determine insurance sufficiency of the contract, to include independent contractor's, and that the contract does not expose the County to unnecessary risks.

During the term of the contracts, Risk Management will monitor the certificate of insurance and advise the respective Departments in the event that the contractor's and or sub-contractor's insurance is cancelled, non-renewed, and or the insurance coverage is in adequate. If at anytime that it is determine that the contractor and or sun-contractor's insurance is cancelled, non-renewed, and or the insurance is in adequate, the respective department will order the Contractor and or Vendor to "stop work" until which time the problem is corrected and verified by Risk Management.

DEFINITIONS

For the purpose of this Administrative Code the definition of a contract includes, but is not limited to independent contractors' agreements, construction contracts, service agreements, lease agreements for real or personal property, vehicles and heavy equipment leases, and or rental agreements, whereby that contract or agreement transfers and or assumes risks of another party.