July 23, 2012

Prospective Drilling Contractors

Subject: Sacramento Area Flood Control Agency
American River, Sacramento River and North Sacramento Area Stream
Group Geotechnical Explorations
Request for Statements of Qualifications

Dear Drilling Contractors:

SAFCA has issued the attached request for Statements of Qualifications for the subject project. This document is also available on SAFCA’s website at www.safca.org. All interested Drilling Contractors are invited to submit.

Please call if you have any questions.

Very truly yours,

Sacramento Area Flood Control Agency

[Signature]

Pete Ghelfi
Director of Engineering
(916) 874-7606
Fax 874-8289

ghelfip@sacounty.net
Sacramento Area Flood Control Agency

American River, Sacramento River and North Sacramento Area Stream Group
Geotechnical Explorations

Request for Statements of Qualifications

July 23, 2012
1.0 INTRODUCTION

The Sacramento Area Flood Control Agency (SAFCA) is requesting a Statement of Qualifications and a Cost Proposal for the following scope of work that will include field exploration using drilled borings, monitoring well construction, and Cone Penetration Testing services in support of geotechnical engineering investigations for levees under SAFCA's jurisdiction. The areas to be considered under this scope of work are located within the City of Sacramento and Sacramento County, California and include the following:

- North Sacramento area streams (NEMDC east levee, Arcade Creek north and south levees from NEMDC to Marysville Boulevard, Dry Creek north levee, and Robla Creek/Magpie Creek Diversion Channel south levee from NEMDC to Dry Creek Road)
- Sacramento River east levee (from Richards Boulevard to Cliff's Marina in Freeport.)
- American River north and south levees (from Sacramento River to upstream end of levees near Arden Way and Mayhew Road, respectively)

It is SAFCA's goal to award one contract to a single drilling company or one contract to a joint venture or team of drilling companies (referred to herein as the Drilling Contractor). Only one contract will be awarded for this solicitation. SAFCA retains the sole right to award the contract or not award the contract. The drilling companies' cost of preparation of the Statement of Qualifications or Cost Proposal will not be reimbursed. SAFCA reserves the right to award all or a portion of this solicitation.

SAFCA will review submitted Statement of Qualifications and notify the top three Drilling Contractors for interviews. At the time of submittal, the Drilling Contractor shall deliver one envelope with the Statement of Qualifications and a separate sealed envelope with the Cost Proposal. The Cost Proposal will not be opened until after the Statement of Qualifications has been reviewed, interviews have been conducted, and the top three respondents have been ranked. SAFCA will then award the contract based on the ranking system included below. Unit prices included in the Cost Proposal will be used as the basis for final payment of the contract. All questions regarding this solicitation shall be in writing and submitted to SAFCA by 1:00 pm on Friday July 27, 2012.
2.0 SOLICITATION SCHEDULE

The following schedule will be used for this solicitation.

<table>
<thead>
<tr>
<th>Date</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 23, 2012</td>
<td>Request for SOQ and Cost Proposals issued</td>
</tr>
<tr>
<td>July 27, 2012</td>
<td>1:00 pm, last time to submit written questions regarding solicitation. All questions shall be in writing and submitted to SAFCA.</td>
</tr>
<tr>
<td>August 1, 2012</td>
<td>Statement of Qualifications and Cost Proposal (in a separate sealed envelope) from Drilling Contractors due by 5:00 pm. Electronic submittals will be accepted; however, it is strongly urged that hard copies be submitted.</td>
</tr>
<tr>
<td>August 2, 2012</td>
<td>Top three teams notified of invitation to interview</td>
</tr>
<tr>
<td>August 6, 2012</td>
<td>Interviews at SAFCA, Sacramento</td>
</tr>
<tr>
<td>August 7, 2012</td>
<td>Successful team notified</td>
</tr>
<tr>
<td>August 16, 2012</td>
<td>Action by SAFCA Board on contract authorization</td>
</tr>
<tr>
<td>September 2012 through August 2013</td>
<td>Drilling Period</td>
</tr>
</tbody>
</table>

Submit Questions to:

Pete Ghelfi  
Director of Engineering  
(916) 874-7606  
Fax 874-8289  
ghelfip@saccounty.net

Identify the RFQ title in the subject line
3.0  ANTICIPATED SUBSURFACE CONDITIONS

Subsurface conditions anticipated during drilling for this project include:

- Soft to very hard silt and clay, including “hardpan,” with variable sand and gravel content
- Loose to dense sands, including flowing sands and strongly cemented sands. Variable fines content should be anticipated.
- Loose to dense gravel and cobble layers with variable sand and fines content. The fine-grained soil and sand will range from uncemented to strongly cemented. The gravels and cobbles are anticipated to range from decomposed to slightly weathered and very weak to very strong.
- High groundwater levels
4.0 SCOPE OF WORK

Exploration: The scope of work includes advancing up to 180 subsurface explorations using a combination of mud rotary, hollow stem auger, and sonic drill methods and CPT soundings. The Drilling Contractor will work with SAFCA or SAFCA's representative at all times during the project. The responsibility of the work areas and the scope of work described herein, will be the sole responsibility of the Drilling Contractor. The depths of explorations will range from 20 to 160 feet. Explorations will be advanced at the crown, landside toe and landside field (within approximately 200-300 feet of the levee toe). The upper 25 feet of borings drilled at the crown will be advanced using hollow stem auger methods. The hollow stem auger will be left in place to act as a casing for the drilling fluid as the remaining boring is drilled with mud rotary methods, and will be removed upon backfill of the boring, as described below. Specific exploration details are provided in the table below.

Table 1
Exploration Methods, Depths and Quantity

<table>
<thead>
<tr>
<th>Exploration Method</th>
<th>Approximate Depth Range, feet</th>
<th>Approximate Total Footage, feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hollow stem auger</td>
<td>20-40</td>
<td>2,600</td>
</tr>
<tr>
<td>Mud rotary</td>
<td>50-150</td>
<td>11,500</td>
</tr>
<tr>
<td>Sonic</td>
<td>50-150</td>
<td>800</td>
</tr>
<tr>
<td>CPT soundings</td>
<td>50-150</td>
<td>2,400</td>
</tr>
</tbody>
</table>

Table 2
Exploration Locations and Quantity

<table>
<thead>
<tr>
<th>Project Component/Exploration Locations</th>
<th>Approximate Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crown</td>
<td>61</td>
</tr>
<tr>
<td>Toe</td>
<td>80</td>
</tr>
<tr>
<td>Field</td>
<td>77</td>
</tr>
</tbody>
</table>

Quantities could vary from those above depending upon the needs of project. However, the Drilling Contractor can assume the following minimum explorations will be advanced under the first phase of this contract.
### Table 3
**Minimum Exploration**

<table>
<thead>
<tr>
<th>Exploration Method</th>
<th>Approximate Quantity, ea.</th>
<th>Approximate Total Footage, feet</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hollow stem auger</td>
<td>8</td>
<td>240</td>
</tr>
<tr>
<td>Mud rotary</td>
<td>30</td>
<td>3,600</td>
</tr>
<tr>
<td>CPT Soundings</td>
<td>16</td>
<td>1,600</td>
</tr>
</tbody>
</table>

Additional explorations will be assigned as they are needed. While it is the goal of SAFCA to assign groups of explorations, assignments could be single locations.

The levee crowns are typically 10 to 15 feet wide and surfaced with aggregate base. Some locations will be paved with asphalt concrete. There is not sufficient room for vehicles to pass each other on the top of the levee. The Drilling Contractor shall take this into account in the unit price. Access to the levee crown is gained by sporadically located ramps and gates. Except as discussed herein, SAFCA or SAFCA’s representative will assist the Drilling Contractor in arranging access to the levee and exploration locations.

All explorations will be backfilled with a minimum 2-sac grout mix in accordance with Sacramento County Department of Environmental Health permit standards. The Drilling Contractor should assume 30 of the exploration locations will require a 2-foot-square pavement cut to advance the boring. Where the pavement cut is required these explorations will be backfilled per the above grout backfill requirements to the bottom of the existing asphalt concrete layer. The remaining portion of the cut pavement section will be backfilled with compacted, hot asphalt concrete mix to the original top of asphalt surface. All remaining explorations advanced in pavement areas will be capped with a cold patch asphalt concrete mix that will extend from the bottom of the aggregate base layer to the original pavement surface. The Drilling Contractor is responsible for the removal, characterization and disposal of cuttings and drilling mud generated during drilling at an off-site location to be provided by the Drilling Contractor. The exploration surface will be returned to conditions prior to exploration including filing and/or leveling of any ruts produced from accessing and advancing the exploration work. The Drilling Contractor is responsible to repair all damage to public or private property caused by its operations at no cost to SAFCA.

The Drilling Contractor must be capable of providing up to **FOUR (4)** drill rigs at one time capable of drilling to the depths indicated and the subsurface materials described above. The unit price shall include all equipment and tools, employees, supervision, travel, mobilization, management, support for obtaining permits, expenses, and incidentals necessary to complete the scope of work. SAFCA shall not be responsible...
for lost or broken equipment or the retrieval of equipment and/or tools lost down an exploratory hole. The Drilling Contractor shall provide one all-terrain drill rig capable of meeting the exploration methods described above to allow for drilling during the wet season and at locations inaccessible by conventional truck drill rigs. A line item is included in the bid schedule for this. This line item should include any additional costs for support vehicles, equipment and staff. A separate line item has been included in the bid schedule for mats that may need to be placed in situations where the all-terrain rig may not be able to reach the exploration location.

Sampling:

- Mud Rotary and Hollow Stem Auger Borings: Samples will be obtained from the borings at the following intervals.

<table>
<thead>
<tr>
<th>Table 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample Intervals</td>
</tr>
<tr>
<td>0-60 feet</td>
</tr>
<tr>
<td>60 to bottom of boring</td>
</tr>
</tbody>
</table>

Samples will be obtained using Standard Penetration Test samplers (2.0" OD by 1.4" ID) with samples retained in ziploc-type plastic bag; Modified California Sampler (2.5" OD by 2.0" ID) with samples retained in brass or stainless steel tube liners, California Sampler (3.0" OD by 2.5" ID) with samples retained in brass or stainless steel tube liners; or Shelby tubes. Drilling Contractor will supply samplers, sample bags, and brass or stainless steel tube liners. Sampler is to be driven with an automatic-type SPT trip hammer using drill rod a minimum of 18 inches, unless refusal (greater than 50 blows in 6 inches) is encountered. The number of blows to advance the sampler shall be recorded and provided to the onsite logging representative. Sample type and interval is to be determined by SAFCA or SAFCA's representative. Shelby tube sampler shall be pushed with drill rig hydraulics with the hydraulic pressure to advance the sampler recorded. Samples will become the property of SAFCA or SAFCA's representative.

- Sonic Borings: Provide continuous cores in plastic liners placed in core boxes.
- CPT Soundings: No individual soil samples will be required from CPT soundings.

Borehole Logging: SAFCA or SAFCA's representative will provide a field professional to log the holes and take possession of samples in the field.

Utility Clearance: It will be the responsibility of the contactor to contact Underground Service Alert a minimum of 72 hours in advance of any field exploration activity, as
required by law. SAFCA or SAFCA'S representative will provide a map of the boring locations a minimum of 5 days in advance of drilling and will meet with the Drilling Contractor's representative to locate explorations for clearance. It will be Drilling Contractor's responsibility to include a private utility locator in this contract to clear areas not covered by Underground Service Alert and where requested by SAFCA or SAFCA's representative.

**Permits:** SAFCA or SAFCA's representative will obtain encroachment permits and drilling permits as required. The Drilling Contractor will provide supporting information needed to obtain such permits. Drilling Contractor's unit price shall include time for grout inspection with Sacramento County Environmental Management Department.

**Traffic Control:** The Drilling Contractor will provide any traffic control needed to obtain access and a safe work environment at drill sites. The Drilling Contractor should provide a 2-man crew for a half-day period or for a full-day period, as needed.

**Monitoring Wells (OPTIONAL SCOPE):** Where requested by SAFCA, the Drilling Contractor will convert a boring into a monitoring well. The details of the monitoring well are shown on the attached figure. Price for open tube monitoring well will include well development. Price for the vibrating wire piezometer option does NOT include the vibrating wire piezometer, which will be supplied by SAFCA or SAFCA's representative.

**Health and Safety:** The Drilling Contractor shall be solely responsible for safety in the work area. The will provide a safe work environment and conduct regular "tail gate" safety meetings. All work will be performed in a safe manner following industry guidelines. A project health and safety plan shall be prepared and will be provided to SAFCA prior to the start of work.
5.0 STATEMENT OF QUALIFICATIONS CONTENT and RANKING

The Statement of Qualifications shall contain the following information.

1. Name of company or team/joint venture of companies
2. Brief introduction and discussion of company or team/joint venture of companies
3. Capabilities to provide equipment indicated above
4. Discussion of how the scope will be met and services provided/coordinated
5. Experience with the methods outlined above
6. Experience with drilling on or near levees in California
7. Experience in the Sacramento area
8. Current State of California C57 contractor’s license for company or all members of team/joint venture
9. Resumes of key team members

The Statement of Qualifications shall not exceed 20 single sided pages. Covers, tables of contents, and resumes will not be counted in the page limit. Four hard copies of each submittal and one electronic copy shall be provided by 5:00 pm on August 1, 2012, to SAFCA’s offices located at 1007 7th Street, 7th Floor, Sacramento, California 95814.

The Statement of Qualifications will be reviewed by SAFCA and SAFCA's consultants and will be ranked using the following guidelines.

<table>
<thead>
<tr>
<th>Item</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capabilities to meet scope and provide equipment</td>
<td>15%</td>
</tr>
<tr>
<td>Discussion of providing services/meeting scope</td>
<td>25%</td>
</tr>
<tr>
<td>Experience with methods</td>
<td>10%</td>
</tr>
<tr>
<td>Experience on or near levees</td>
<td>10%</td>
</tr>
<tr>
<td>Experience in Sacramento area</td>
<td>10%</td>
</tr>
<tr>
<td>State of California C57 contractor’s license</td>
<td>Must Have</td>
</tr>
<tr>
<td>Cost Proposal</td>
<td>30%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>
6.0 CONTRACT

Contract Form: The SAFCA standard contract shall be used for this project. Drilling Contractor shall meet insurance requirements of the contract.

Billings: The Drilling Contractor may submit monthly invoices for work performed. Invoices shall detail the locations and depth drilled for each exploration.

Bonds: The Drilling Contractor shall, before beginning said work, file two bonds with SAFCA, each made payable to the Sacramento Area Flood Control Agency. These bonds shall be issued by a surety company authorized to do business in the State of California, meeting the requirements of the specifications, and shall be maintained during the entire life of the Agreement at the expense of the Drilling Contractor. The first bond shall be in the amount of one hundred percent (100%) of the Agreement price and shall guarantee the faithful performance of the Agreement. The second bond shall be the payment bond required by California Civil Code, Division 3, Part 4, Title 15, Chapter 7, and shall be in the amount of one hundred percent (100%) of the Agreement price. Any alterations made in the specifications which are a part of the Agreement or in any provision of the Agreement shall not operate to release any surety from liability on any bond required hereunder and the consent to make such alterations is hereby given, and any surety on said bonds hereby waives the provisions of California Civil Code, Sections 2819 and 2845.

Insurance: The Drilling Contractor shall maintain insurance of the type and in the amount identified in the attached Insurance Requirements.

Prevailing Wages: Pursuant to the provisions of Articles 1 and 2 of Chapter 1, Part 7, Division II, of the Labor Code of the State of California, not less than the general prevailing rate of per diem wages, and not less than the general prevailing rate of per diem wages for holidays and overtime work, for each craft, classification or type of worker needed to execute the work contemplated under this Agreement shall be paid to all workers, laborers, and mechanics employed in the execution of said work by the Drilling Contractor, or by any subcontractor doing or contracting to do any part of said work.

This is a construction project in accordance with Section 1771.5 of the California Labor Code. All labor on the project shall be paid no less than the minimum wage rates as established by the Director of the California Department of Industrial Relations.

A copy of the minimum wage rates, as determined by the Director of the California Department of Industrial Relations, can be found at www.dir.ca.gov. Drilling Contractor shall make available at each job site, a copy of such prevailing rate of per diem wages as determined by the Director of the California Department of Industrial Relations.
7.0 COST PROPOSAL: (TO BE PROVIDED IN A SEPARATE SEALED ENVELOPE)

Contract award will be based on the Total Base Scope Bid amount.

<table>
<thead>
<tr>
<th>Bid Item</th>
<th>Unit Price</th>
<th>Bid Quantity</th>
<th>Total Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BASE SCOPE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mud Rotary</td>
<td>$ per foot</td>
<td>11,500 feet</td>
<td></td>
</tr>
<tr>
<td>Hollow Stem Auger</td>
<td>$ per foot</td>
<td>2,600 feet</td>
<td></td>
</tr>
<tr>
<td>Sonic</td>
<td>$ per foot</td>
<td>800 feet</td>
<td></td>
</tr>
<tr>
<td>CPT Sounding</td>
<td>$ per foot</td>
<td>2,400 feet</td>
<td></td>
</tr>
<tr>
<td>Surcharge for All Terrain equipment</td>
<td>$ per foot</td>
<td>2,000 feet</td>
<td></td>
</tr>
<tr>
<td>Mats</td>
<td>$ per foot</td>
<td>100 feet</td>
<td></td>
</tr>
<tr>
<td>2 ft. by 2 ft. hot mix asphalt pavement patch</td>
<td>$ per each</td>
<td>30 ea.</td>
<td></td>
</tr>
<tr>
<td>Traffic control (2-man crew) 1/2 day</td>
<td>$ per each</td>
<td>10 ea.</td>
<td></td>
</tr>
<tr>
<td>Traffic control (2-man crew) full day</td>
<td>$ per each</td>
<td>20 ea.</td>
<td></td>
</tr>
</tbody>
</table>

**Total Base Scope Bid:**

<table>
<thead>
<tr>
<th>OPTIONAL SCOPES</th>
<th>Unit Price</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitoring well 0 to 25 feet – open tube</td>
<td>$ per each</td>
<td>2 ea.</td>
</tr>
<tr>
<td>Monitoring well 0 to 50 feet – open tube</td>
<td>$ per each</td>
<td>2 ea.</td>
</tr>
<tr>
<td>Monitoring well 0 to 100 feet – open tube</td>
<td>$ per each</td>
<td>2 ea.</td>
</tr>
<tr>
<td>Monitoring well 0 to 25 feet – vibrating wire piezometer</td>
<td>$ per each</td>
<td>2 ea.</td>
</tr>
<tr>
<td>Monitoring well 0 to 50 feet – vibrating wire piezometer</td>
<td>$ per each</td>
<td>2 ea.</td>
</tr>
<tr>
<td>Monitoring well 0 to 100 feet – vibrating wire piezometer</td>
<td>$ per each</td>
<td>2 ea.</td>
</tr>
</tbody>
</table>

The unit price shown in the bid schedule shall be used for the quantity shown and for any quantity within 25% under or over the quantity shown. Any amount more than 25% under or over the quantity shown may be negotiated to a new unit price.
Insurance Requirements

1-1 INSURANCE

The Drilling Contractor shall procure, maintain, and keep in force at all times during the term of the Contract, at the Drilling Contractor’s sole expense, the following insurance:

1-1.01 General Liability

General Liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability, personal and advertising injury liability, contractual and products and completed operations liability. Coverage shall be at least as broad as “Insurance Services Office Commercial General Liability Coverage Form CG 0001” (occurrence). The limits of liability shall be not less than:

- Each Occurrence: Five Million Dollars ($5,000,000)
- Personal & Advertising Injury: One Million Dollars ($1,000,000)
- Products and Completed Operations Aggregate: Five Million Dollars ($5,000,000)
- General Aggregate: Five Million Dollars ($5,000,000)
- Fire Damage: One Hundred Thousand Dollars ($100,000)

The Products and Completed Operations coverage shall be maintained for at least two years after completion of the Contract.

1-1.02 Automobile Liability

Automobile Liability insurance providing protection against claims of bodily injury and property damage arising out of ownership, operation, maintenance, or use of owned, hired, and non-owned automobiles. Coverage shall be at least as broad as “Insurance Services Office Business Auto Coverage Form CA 0001,” symbol 1 (any auto). Use of any symbols other than symbol 1 for liability for corporate/business owned vehicles must be declared to and approved by the Agency. If there are no owned or leased vehicles, symbols 8 and 9 for non-owned and hired autos shall apply. Personal automobile insurance shall apply if vehicles are individually owned.

The limits of liability shall not be less than:

- Trucks over one ton rating, including non-owned and hired, $5,000,000 Combined Single Limit. Corporate/business owned or commercially insured vehicles, including non-owned and hired, $1,000,000 Combined Single Limit. Individually owned vehicles, $500,000 Combined Single Limit or, if split limits are used, $250,000 per person, $500,000 each accident, $100,000 property damage.

1-1.03 Workers’ Compensation

Workers’ Compensation insurance, with coverage as required by the State of California (unless the Drilling Contractor is a qualified self-insurer with the State of California), and Employers’ Liability coverage. The limits of Employers’ Liability shall not be less that:

- Each Accident: One Million Dollars ($1,000,000)
- Disease Each Employee: One Million Dollars ($1,000,000)
- Disease Policy Limit: One Million Dollars ($1,000,000)
The Workers’ Compensation policy required hereunder shall be endorsed to state that the Workers’ Compensation carrier waives its right of subrogation against the Agency, its governing Board, officers, officials, directors, employees, agents or volunteers.

In the event the Drilling Contractor is self-insured, the Drilling Contractor shall furnish a Certificate of Permission to Self-Insure by the Department of Industrial Relations Administration of Self-Insurance, Sacramento.

1-1.04 Drilling Contractor’s Equipment

The Drilling Contractor, and each of its subcontractors, shall separately insure its own equipment for loss and damage. The Drilling Contractor’s Property and Inland Marine policies shall include, or be endorsed to include, a waiver of subrogation against the Agency, its governing Board, officers, officials, directors, employees, agents, and volunteers which might arise by reason of damage to the Drilling Contractor’s property or equipment (owned, leased, hired or borrowed) in connection with work performed under this Contract by the Drilling Contractor.

1-1.05 Railroad Protective Liability

When work is being conducted in or adjacent to railroad right of way, or when construction operations cross railroad right of way at crossings other than public road crossings, or where required in applicable railroad right of entry agreements or contracts, the Drilling Contractor shall procure, maintain, and keep in force at all times during the term of the Contract, at the Drilling Contractor’s sole expense, Railroad Protective Liability insurance with the limits of liability as set forth in the right of entry agreements or two million dollars ($2,000,000) whichever is greater.

1-1.06 Environmental Liability Insurance

The Drilling Contractor shall procure, maintain, and keep in force at all times during the term of the Contract, at the Drilling Contractor’s sole expense, Environmental Liability insurance which includes coverage for sudden and accidental pollution arising out of the handling of hazardous materials or hazardous wastes, non-hazardous materials or non-hazardous wastes that, when released to the environment, violate regulatory standards of the Federal, State or Local Government, shall be procured, maintained and kept in force at all times. Coverage for liability arising out of the handling of asbestos shall be procured when specified in the Special Provisions. If coverage for Environmental Liability insurance is written on a claims-made form, the following provisions apply:

Limit of coverage shall be not less than two million dollars ($2,000,000)

The "Retro Date" must be shown, and must be on or before the date of the Contract or the beginning of the Work.

Insurance must be maintained and evidence of insurance must be provided for at least one (1) year after completion of the Contract.

If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a "Retro Date" prior to the Contract effective date, the Drilling Contractor must purchase "extended reporting" coverage for a minimum of one (1) year after completion of the Contract.

1-1.07 Other Provisions

1. The Drilling Contractor's General Liability, Automobile Liability, and any Excess or Umbrella Liability, shall contain the following provisions:

   a. The Agency, its governing Board, officers, officials, directors, employees, agents, and volunteers shall be covered as additional insureds as respects liability arising out of the activities performed by or on behalf of the Drilling Contractor, premises
owned, occupied, or used by the Drilling Contractor, or automobiles owned, leased, hired, or borrowed by the Drilling Contractor. The policy shall contain no special limitations on the scope of coverage afforded to the Agency, its governing Board, officers, officials, directors, employees, agents, or volunteers.

b. For any claims related to this Contract, the Drilling Contractor's insurance coverage shall be primary insurance as respects the Agency, its officers, officials, employees, agents, or volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, agents, or volunteers shall be excess of the Drilling Contractor's insurance and shall not contribute with it.

c. The State of California Central Valley Flood Protection Board, State of California Department of Water Resources, Reclamation District No. 1000, State of California Department of Transportation, American River Flood Control District, County of Sacramento, and City of Sacramento, their officers, officials, employees, agents, and volunteers shall be covered as additional insureds as respects liability arising out of the activities performed by or on behalf of the Drilling Contractor, premises owned, occupied, or used by the Drilling Contractor, or automobiles owned, leased, hired, or borrowed by the Drilling Contractor. The policy shall contain no special limitations on the scope of coverage afforded to the entities, their governing boards, officers, officials, directors, trustees, employees, agents, or volunteers.

2. The Drilling Contractor's General Liability and any Excess or Umbrella Liability insurance policies shall contain an endorsement stating that any aggregate limits shall apply separately to the Work.

3. The Drilling Contractor'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.

4. The Drilling Contractor shall maintain all insurance coverages and limits in place at all times and provide the Agency with evidence of each policy's renewal ten (10) days in advance of its anniversary date. Drilling Contractor is required by this Agreement to immediately notify Agency if they receive a communication from their insurance carrier or agent that any required insurance is to be canceled, non-renewed, reduced in scope or limits or otherwise materially changed. Drilling Contractor shall provide evidence that such cancelled or non-renewed or otherwise materially changed insurance has been replaced or its cancellation notice withdrawn without any interruption in coverage, scope or limits. Failure to maintain required insurance in force shall be considered a material breach of the Agreement.

5. All of the Drilling Contractor's insurance coverage, except as noted below, shall be placed with insurance companies with a current A.M. Best rating of at least A-VII.

Exceptions:

a. Underwriters at Lloyd's of London, which are not rated by A.M. Best.

b. Workers' Compensation which is provided through a State Compensation Insurance Fund or a qualified self-insurer for Workers' Compensation under California law.

c. For liability insurance required under Section 3-9.04D (Environmental Liability insurance), insurance requirements shall be placed with insurance companies with a current A.M. Best rating of at least B+:VII.

6. The Drilling Contractor shall sign and file with the Agency the following certification prior to commencing performance of the work of the Contract:
"I am aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for worker's compensation or to undertake self-insurance in accordance with the provisions of the Code, and I will comply with such provisions before commencing the performance of the Work of this Contract."

Said certification is included in the Contract, and signature and return of the Contract shall constitute signing and filing of the said certification.

7. The Agency, at its discretion, may require new types of insurance coverage or increase the limits of insurance coverage required hereunder at any time during the term of the Contract by giving thirty (30) days written notice to the Drilling Contractor. Drilling Contractor shall immediately procure such insurance or increase the limits of coverage and provide certificates of insurance, including copies of all required endorsements, to the Agency within thirty (30) days of receipt of the Agency's request.

8. The required insurance coverage shall be subject to the approval of the Agency, but any acceptance of insurance certificates by the Agency shall in no way limit or relieve the Drilling Contractor of its duties and responsibilities in this Contract.

9. If the Drilling Contractor fails to procure or maintain insurance as required by this Section and any Special Provisions, or fails to furnish the Agency with proof of such insurance, the Agency, at its discretion, may procure any or all such insurance. Premiums for such insurance procured by the Agency shall be deducted and retained from any sums due the Drilling Contractor under the Contract. Failure of the Agency to obtain such insurance shall in no way relieve the Drilling Contractor from any of the Contractor's responsibilities under the Contract. Any failure of the Drilling Contractor to maintain any item of the required insurance is sufficient cause for termination of the Contract.

10. The making of progress payments to the Drilling Contractor shall not be construed as relieving the Drilling Contractor of responsibility for loss or damage, or destruction occurring prior to final acceptance by the Agency.

11. The Agency is authorized to execute amendments and waivers, with or without conditions, to the insurance requirements of the Contract. The Agency will provide such amendments or waivers in writing to the Drilling Contractor.

12. Drilling Contractor is responsible for the acts and omissions of all its subcontractors and shall require all its subcontractors to maintain adequate insurance.

The failure of the Agency to enforce in a timely manner any of the provisions of this Section shall not act as a waiver to enforcement of any of these provisions at any time during the term of the Contract.

1-1.08 Deductibles and Self-Insured Retention

Any deductible or self-insured retention that applies to Commercial General Liability or Automobile Liability must be declared to and approved by the Agency.

1-1.09 Notification of Accident or Occurrence

The Drilling Contractor shall report by telephone to the Agency within twenty-four (24) hours and also report in writing to the Agency within fifteen (15) days after the Drilling Contractor or any subcontractors or agents have knowledge of any accident or occurrence involving death of or injury to any person or persons, or damage in excess of ten thousand dollars ($10,000) to the
Work, property of the Agency or others, arising out of any work done by or on behalf of the Drilling Contractor as part of the Contract. Such report shall contain:

1. The date and time of the occurrence,
2. The names and addresses of all persons involved, and
3. A description of the accident or occurrence and the nature and extent of injury or damage.

1-1.10 Notification of Claim

If any claim for damages is filed with the Drilling Contractor or if any lawsuit is instituted against the Drilling Contractor, that arise out of or are in any way connected with the Drilling Contractor's performance under this Contract and that in any way, directly or indirectly, contingently or otherwise, affect or might reasonably affect Agency, Drilling Contractor shall give prompt and timely notice thereof to Agency. Notice shall be prompt and timely if given within thirty (30) days following the date of receipt of a claim or ten (10) days following the date of service of process of a lawsuit.