



GOVERNMENT OF PUERTO RICO  
Department of Housing

FORM DV-OSPA-78-5

OSPA  
Small Purchase  
Conference Hardware Acquisition  
Community Development Block Grant – Disaster Recovery  
Puerto Rico Department of Housing  
Secretary for Legal Affairs  
Insurance Section

**SPECIAL INSURANCE AND BONDING SPECIFICATIONS**

- A. The successful bidder before commencing work or receiving a written notice to proceed with, or being allowed to start to work, must submit to the **Puerto Rico Department of Housing (PRDOH)** two (2) certified copies of the hereafter mentioned insurance policies and/or bonds, thus including all endorsements and agreements required under the special contractual conditions as per the following:

1. (X) **State Insurance Fund Workmen's Compensation Insurance Policy**

In accordance with the Workmen's Compensation Act No. 45, to facilitate its acquisition, the **PRDOH** shall provide a letter to the contractor addressed to the State Insurance Fund.

2. (X) **Commercial General Liability (Broad Form) including the following Insurance Coverage**

COVERAGE	LIMIT
<b>I. Commercial General Liability:</b>	\$1,000,000.00
• General Aggregate	\$2,000,000.00
• Products & Complete Operations	\$1,000,000.00
• Personal Injury & Advertising	\$1,000,000.00
• Each Occurrence	\$1,000,000.00
• Fire Damage	\$100,000.00 (Any one Fire)
• Medical Expense	\$10,000 (Any one person)
<b>II. Employer's Liability Stop Gap:</b>	
• Bodily Injury by Accident Each Employee Each Accident	\$1,000,000.00 \$1,000,000.00
• Bodily Injury by Disease Each Employee Each Accident	\$1,000,000.00 \$1,000,000.00
<b>III. Personal Property under care, custody and control:</b>	\$1,000,000.00

3. (X) **Comprehensive Automobile Liability Form including the following insurance Coverages**

LIMIT	
<ul style="list-style-type: none"><li>• Auto Liability - \$1,000,000.00</li><li>• Physical Damages - \$1,000,000.00</li><li>• Medical Payments - \$10,000.00</li></ul>	
<b>The Commercial Auto cover must be applied to the following symbols:</b>	
<ul style="list-style-type: none"><li>• Liability Coverage -1</li></ul>	
<ul style="list-style-type: none"><li>• Physical Damages – 2 and 8</li></ul>	
<ul style="list-style-type: none"><li>• Hired – Borrowed Auto - 8</li></ul>	
<ul style="list-style-type: none"><li>• Non-Owned Auto Liability - 9</li></ul>	

4. (X) **Umbrella**

Limit - \$1,000,000.00

5. (X) The policies to be obtained must contain the following endorsements including as additional insured the **Puerto Rico Department of Housing, U.S. Department of Housing and Urban Development (HUD)** and the **Government of Puerto Rico**.

- (X) a. Breach of warranty
- (X) b. Waiver and / or Release of Subrogation
- (X) c. Additional Insured Clause
- (X) d. Hold Harmless Agreement
- (X) e. 30 Days Cancellation Clause

6. (X) The insurance carrier or carriers which will present said certificates of insurance must have a least a B+ rating according to the Best Rating Guide.

**B. IMPORTANT NOTICE TO INSURANCE AND SURETY COMPANIES AND THEIR REPRESENTATIVES**

All insurance companies and all guarantors who issue policies or bonds under our special contractual conditions are subject to:

1. Be authorized to do business within the Commonwealth of Puerto Rico and have the corresponding license issued by the Commissioner of Insurance.

2. To be enjoying a good economic situation and to be classified under the Category of B+ by the "Best Rating Guide".
3. Submit to the **PRDOH** a written certification as evidence of full payment of premiums by the Contractor. Mention each risk coverage premium separately.
4. Avoid sub-contractual obligations of premium financing or any other kind, which may be detrimental to the public interest.
5. Avoid any request for cancellation by the contractor prior to the expiration date of the policy, without the consent of the Insurance Section of the **PRDOH**: Discuss any refund of unearned premium.
6. Follow all Federal Bail and Acceptance Insurance Regulations, when applicable.
7. Indicate in the appropriate place of all insurance policies and/or bonds, the full description of the project, work or service to be rendered.
8. Not to make any amendments to insurance policies and bonds issued under the special conditions mentioned above, unless approved by the Insurance Section of the **PRDOH**.
9. To ensure that all insurance policies or bonds are issued to comply with all of our special insurance conditions with respect to the period of coverage, type of risk coverage, as well as all limits, as specified, and also to eliminate those exclusions in accordance with our request.
10. Clarify any questions regarding insurance requirements by any means of communication with the Insurance Section of the Department of Housing under the Secretary for Legal Affairs.

**C. EVIDENCE OF INSURANCE COVERAGE OF EACH SUBCONTRACTOR TO BE SUBMITTED BY CONTRACTOR:**

The prime contractor, has the duty to require each of the subcontractors or subcontractors to maintain in force all insurance policies and/or bonds necessary to cover their individual participation in the risk or risks related to the subcontracted work or service to be rendered.

Therefore, we emphasize that prior to commencing work or receiving written notice to proceed with such work or being authorized to commence work, the successful prime contractor has the responsibility to provide the **PRDOH** with evidence to the effect that all insurance and/or bonds required under the special conditions or required under the sub-contract to each of the sub-contractors or

sub-sub-contractors are current and duly approved by the Insurance Section of the **PRDOH**.

All insurance policies shall remain in effect for the entire contractual period, so that with any order of change and/or amendment resulting in alteration of the original project completion date or total original cost, the prime contractor shall take the necessary steps to request the insurer to include such changes in all related insurance policies and/or bonds and to submit evidence by appropriate endorsements with effective dates. Cancellations without consent are not accepted.

The **PRDOH** reserves the right to stop any work or service under contract until the breach of these requirements has been remedied, so that any delay in the performance of the contract based on any breach of the insurance coverage requirements shall be deemed the sole responsibility of the Main Contractor.

**D. CONFLICT OR DIFFERENCE BETWEEN THE SPECIFICATIONS OF THE TENDERING PROCEDURE AND SPECIAL INSURANCE CONDITIONS AND BONDS, FORM DV-OSPA-78-5**

In the event of any conflict or difference in the description of coverage or in amounts or limits, etc., with respect to insurance requirements, the "Special Conditions of Insurance and Bonds" as set forth in this **Form (DV-OSPA-78-5)** shall prevail over any other insurance specifications.

**E. CERTIFICATE OF INSURANCE SECTION**

We hereby certify, to our best knowledge and understanding, that we have prepared the aforementioned "Insurance and Bonds Special Conditions" after a proper evaluation of the related risks, based on the information of the nature of the project and description submitted to us, as requested by the Contracting Program through a written application.

**DESCRIPTION OF THE SERVICES:**  
**Conference Hardware Acquisition**  
**Small Purchase**

April 9, 2020  
Date

Arlyn Rodríguez  
Insurance Section  
Secretary for Legal Affairs

Lcdo. José A. Lebrón Peña  
Interim Chief Legal Officer  
Secretary for Legal Affairs