

103.02 WITHHOLDING OF TAXES. The Contractor shall comply with the requirements of subchapter 4 of Chapter 151 of Title 32 VSA relating to the withholding of taxes from employees, and all taxes withheld pursuant to subchapter 4 shall be reported and paid to the Commissioner of Taxes.

103.03 STATE SALES TAX. Contractors are not required to pay the Vermont sales tax for materials incorporated into a state funded project completed on property owned or held in trust for the benefit of any governmental body or agency and used exclusively for public purposes or owned or held in trust for the benefit of any organization holding a valid Exemption Certificate [see Vermont Sales and Use Tax Regulations No. 226-2 and 226-7 and 32 V.S.A. Section 9743(4)] and used exclusively in the conduct of its business or purpose, or for materials incorporated in a rail line in connection with the construction, maintenance, repair, improvement, or reconstruction of the rail line [see 32 V.S.A. Section 9741(44)].

Therefore, no sales tax shall be included in the cost of these materials.

Contractors are responsible for maintaining records sufficient to justify eligibility for sales tax exemption. Forms for maintaining these records are available from the Vermont Department of Taxes.

103.04 INSURANCE REQUIREMENTS. Insurance obtained by the Contractor to cover the below-listed requirements shall be procured from an insurance company registered and licensed to do business in the State of Vermont. All insurance coverage for property damage shall provide coverage for "Replacement" cost. Before the Contract is signed and becomes effective, the Contractor shall file with the Agency a certificate of insurance, in duplicate, executed by an insurance company or its licensed agent(s), on a form satisfactory to the Agency, stating that with respect to the Contract awarded, the Contractor carries insurance in accordance with the following requirements. Renewal certificates for keeping the required insurance in force for the duration of the Contract shall also be filed as specified above.

No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Contractor and any subcontractor for the Contractor's and any subcontractor's operations. These are solely minimums that have been established to protect the interests of the State.

- (a) Workers Compensation Insurance. With respect to all operations performed the Contractor shall carry Workers Compensation

Insurance in accordance with the laws of the State of Vermont, 21 V.S.A. Chapter 9. The Contractor shall also ensure that all subcontractors carry Workers Compensation Insurance in accordance with 21 V.S.A. Chapter 9 for all work performed by them.

- (b) Commercial General Liability Insurance. With respect to all operations performed by the Contractor and subcontractors, the Contractor shall carry Commercial General Liability Insurance on an occurrence form providing all major divisions of coverage, including but not limited to:

Premises - Operations
 Independent Contractor's Protective
 Products and Completed Operations
 Personal Injury Liability
 Contractual Liability applying to the Contractor's obligations under Subsection 107.16, Broad Form
 Property Damage
 Collapse and Underground (CU) Coverage
 Explosion (X) Coverage, unless this requirement is waived in writing by the Agency of Transportation

Limits of Coverage shall be not less than:

\$1,500,000	Each Occurrence
\$2,000,000	General Aggregate applying, in total, to this project only
\$2,000,000	Products/Completed Operations Aggregate
\$ 250,000	Fire Damage Legal Liability

- (c) Automobile Liability Insurance. The Contractor shall carry Automobile Liability Insurance covering all motor vehicles, including owned, hired, borrowed, and non-owned vehicles, used in connection with the project. Limits of Coverage shall be not less than:

<u>Bodily Injury:</u>	\$1,000,000 Each Person, \$1,000,000 Each Occurrence
<u>Property Damage:</u>	\$ 500,000 Each Occurrence

OR

Combined Single Limit: \$1,500,000 Each Occurrence

- (d) Railroad Protective Liability Insurance. When the Contract involves work on, over, or under the right-of-way of any railroad, the Contractor shall carry, with respect to operations performed by the Contractor and/or by the Contractor's subcontractors, Railroad Protective Liability Insurance in a form and amount as required by the railroad company and as specified in the Special Provisions and/or Supplemental Specifications for the project. If not available from insurance companies registered and licensed to do business in the State of Vermont, this insurance may be procured from Eligible Surplus Lines Companies approved by the Vermont Department of Banking, Insurance, Securities, & Health Care Administration (BISHCA).

The Contractor shall file the original Railroad Protective Policy and one duplicate policy with the Agency. The Agency will transmit the original Railroad Protective Policy to the railroad concerned.

The Contractor shall cooperate with and allow the railroad company or its agents free and full access to the project during construction along with all materials and equipment necessary in order that their duly authorized employees or agents may do any and all railroad construction, inspection, flagging, and watching.

The Contractor shall defend, indemnify, and save harmless the railroad and all of its officers, employees, and agents against any claim or liability arising from or based on any delay to the Contractor as a result of railroad construction or maintenance, whether by the railroad company, its employees, or agents.

- (e) General Insurance Conditions. The insurance specified under parts (a), (b), and (c) above shall be maintained in force until acceptance of the project by the Agency.

Under part (b) above, Products and Completed Operations Coverage shall be maintained in force for at least one year from the date of acceptance of the project.

Under part (d) above, the Railroad Protective Policy shall remain in force until all work required to be performed on railroad property is completed to the satisfaction of the Railroad and of the Director of Program Development of the Agency.

The contractual liability insurance requirements detailed in the Contract Documents, including Subsection 107.16, are to indemnify, defend, and hold harmless the Municipality(ies), the State, the Agency, and railroad(s), as applicable, and their officers, agents, representatives, and employees, with respect to any and all claims, causes of actions, losses, expenses, or damages that arise out of, relate to, or are in any manner connected with the Contractor's work or the supervision of the Contractor's work on this project.

Each policy, except the Workers Compensation Policy, shall name the Municipality(ies), the State, the Agency, and railroad(s), as additional insureds for actions, losses, expenses, or damages that arise out of, relate to, or are in any manner connected with the Contractor's work or the supervision of the Contractor's work on this project.

Umbrella Excess Liability Policies may be used in conjunction with primary policies to comply with any of the limit requirements specified above.

"Claims-made" coverage forms are not acceptable without the prior written consent of the agency.

The Contractor shall investigate and the Contractor and/or insurance company shall either adjust or defend all claims against the insured for damages covered, even if groundless.

Each policy furnished shall contain a rider or non-cancellation clause reading in substance as follows:

Anything herein to the contrary notwithstanding, no cancellation, termination, or alteration of this policy by the company or the assured shall become effective unless and until notice of cancellation, termination, or alteration has been given by registered mail to the Director of Program Development of the Vermont Agency of Transportation, National Life Building, Montpelier, Vermont 05633-5001, at least 30 calendar days before the effective cancellation, termination, or alteration date unless all work required to be performed under the terms of the Contract is satisfactorily completed as evidenced by the formal, final acceptance of the project by the Agency.

There shall be no directed compensation allowed the Contractor on account of any premium or other charge necessary to take out and keep in effect such insurance or bond; the cost thereof shall be considered included in the general cost of the work.

SECTION 104 - SCOPE OF WORK

104.01 INTENT OF CONTRACT. The intent of the Contract is to provide for the construction and completion in every detail of the work described. The Contractor shall furnish all labor, materials, equipment, tools, transportation, and supplies required to complete the work in accordance with the Plans, Specifications, and other provisions of the Contract.

104.02 ALTERATION OF PLANS OR CHARACTER OF WORK. To suit conditions disclosed as the work progresses, the Engineer may, without notice to the Sureties on the Contractor's bonds, make alterations in the design, in type of materials, in the quantities or character of the work or materials required, in the cross-sections, in dimensions of structures, in length of project, in locations, and any other ways deemed appropriate. Alterations will not constitute a change in other parts of the Contract or a waiver of any condition of the Contract, and shall not invalidate any of the provisions of the Contract Documents.

Payment for work occasioned by changes or alterations will be made according to Subsections 109.04 and 109.05. If the altered or added work is of sufficient magnitude to require additional time in which to complete the project, a time adjustment will be made pursuant to Subsection 108.11.

104.03 EXTRA WORK. The Contractor shall perform extra or unforeseen work for which there is no quantity and price included in the Contract according to the Contract or as directed by the Engineer whenever it is deemed necessary or desirable by the Engineer in order to complete the work as contemplated; payment will be made pursuant to Subsection 109.06.