

Charter Bus Use Guidelines for Higher Education

436



Gallagher

Insurance | Risk Management | Consulting

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Introduction

The purpose of this document is to provide guidelines and procedures to manage and transfer the risk of charter bus use and help your institution ensure the safe transportation of students, faculty, staff and guests. This process involves pre-qualification, entering a contract for services, and pre-trip checklist and inspection.

Pre-Qualification of Charter Bus Companies

Establish a list of approved companies that your institution will use. This involves vendor vetting, insurance verification, and facility and operational practices validation. The provider list should be updated annually and no provider should be used without pre-qualification. A pre-qualification application and checklist for completion by the vendor is included in Appendix A.

Contract for Services

Prior to travel, a contract should be established with the provider. Contracts can be for single-trip use or on an annual basis. Needs may vary from trip to trip; institution personnel must verify that carriers meet all criteria for a given trip.

Pre-Trip Checklist and Inspection

Designated institution personnel should verify that each driver and vehicle meet specific risk management criteria and contractual requirements before departure.

Pre-Qualification of Charter Bus Companies

The use of a pre-qualification application as provided in Appendix A will facilitate the gathering of the data required in this section. Provide adequate time for vendor to submit the required application for review.

Vendor Vetting

Thorough vetting on motor carriers involve the following:

- Online verification of safety rating
- Compliance with Federal Motor Carrier Safety Regulations (FMCSRs)
 - » State Motor Carrier Safety Regulations where they may be more stringent
- Insurance verification
- Driver qualification
- Drug and alcohol policy
- Reference checks
- Facility and operational practices validation

Online Verification of Safety Rating

There are different legal requirements for intrastate and interstate motor contract carriers. Any selected carrier should meet the requirements established in the links below for intrastate or interstate transportation. The links from the Federal Motor Carrier Safety Administration (FMCSA) lay out regulations, requirements, exemptions and exceptions. Any selected carrier must have a satisfactory record.

<https://www.fmcsa.dot.gov/regulations/education-related-transportation>

<https://www.fmcsa.dot.gov/regulations/passenger-carrier-guidance-fact-sheet>

Compliance With FMCSR

Vehicles transporting more than eight passengers, including the driver for compensation, are subject to FMCSRs. These requirements are listed on the pre-qualification checklist provided in this document.

Institutions should check the following site to verify the carrier's safety rating. You will need the carrier's USDOT number or MC number, or the name under which they do business.

<http://safer.fmcsa.dot.gov/CompanySnapshot.aspx>

Safety Rating: A motor carrier receives a safety rating when an authorized official conducts an on-site examination of a motor carrier operation including compliance with the FMCSRs and the Hazardous Materials Regulations. The official reviews records and evaluates roadside vehicle inspection data and accidents to determine whether a motor carrier meets the safety fitness standard. (Review the FMCSRs for a detailed definition of a safety rating.) The following safety ratings are defined:

- **Satisfactory** — A motor carrier has in place and functioning adequate safety management controls to meet the safety fitness standard prescribed in 49 CFR 385.5. Safety management controls are adequate if they are appropriate for the size and type of operation of the particular motor carrier.
- **Conditional** — A motor carrier does not have adequate safety management controls in place to ensure compliance with the safety fitness standard that could result in the occurrences listed in 49 CFR 385.5 (a) through (k).
- **Unsatisfactory** — A motor carrier does not have adequate safety management controls in place to ensure compliance with the safety fitness standard, which has resulted in occurrences listed in 49 CFR 385.5 (a) through (k). Unsatisfactory rated motor carriers are subject to the prohibitions and ineligibilities listed in 49 CFR 385.13.
- **Not Rated or None** — An unrated carrier means that a safety rating has not been assigned to the motor carrier.

For more detailed information on the assessment of a motor carrier's on-road performance over the last 24 months, visit the Motor Carrier Safety Measurement System at the following link. Again, you will need the carrier's USDOT number or MC number, or the name under which they do business.

<http://ai.fmcsa.dot.gov/SMS>

This data is updated monthly.

Interstate motor carriers are also subject to:

- Safety fitness procedures and new entrant safety assurance procedures (49 CFR Part 385)
- Accident register record-keeping (49 CFR Section 390.15)
- Driver qualification and medical examination requirements (49 CFR Part 391)
- Maintaining and updating driver qualification files (49 CFR Section 391.51)
- Maximum driving time standards (49 CFR Section 395.5)
- Maintaining records of duty status (49 CFR Section 395.8) or time records (for drivers covered by the short-haul exemption in 49 CFR Section 395.1(e)(1))
- Recordkeeping for inspection, repair, and maintenance (49 CFR Part 396)

For more resources and information on bus safety and carrier information, visit the FMCSA bus passenger safety and security website at <http://www.fmcsa.dot.gov/safety-security/pcs/Index.aspx>.

Insurance Verification

Federal law requires \$5 million auto liability from interstate carriers, with most states requiring much less for intrastate-only carriers.¹ It is recommended that the acceptable minimum limit requested from any carrier is equal to or greater than the federal guidelines, since intrastate liability limits are typically inadequate. Auto liability limits are required and are often the only thing discussed when dealing with charter bus operators. However general liability and workers' compensation coverage requirements are essential to properly manage the risks. Loading and unloading risks as well as sexual abuse and misconduct are examples of things that may not be covered under an auto liability policy alone. A full description of desired insurance limits and requirements is included in the sample contract and sample insurance certificate sections. No carrier should be placed on the preapproved carrier list without providing a valid certificate of insurance.

Verify that all items on the certificate of insurance will comply with contractual requirements, and require copies of all policy forms and endorsements providing contractually required coverage not shown on the certificate. Make sure to verify the A.M. Best rating of the carriers providing coverage to comply with contract terms.

¹Intrastate regulations by state: <https://www.fhwa.dot.gov/about/webstate.cfm>

Driver Qualification

Carriers must certify that drivers are properly certified; in compliance with federal and state laws; and meet all criteria including proper licensing, MVR requirements and medical certifications. Carrier must certify that drivers do not violate hours of service limitations.

Drug and Alcohol Policy

Verify that carrier conducts drug testing in compliance with applicable laws, rules and regulations of any authority with jurisdiction. For interstate transportation, best practices would include pre-employment, random, and post-accident drug and alcohol testing.

Reference Checks

Ask carrier to provide references from groups that have used their service within the past year. Your institution should verify that any issues have been resolved prior to placing the carrier on the approved list. We recommend that institutions consider the benefit of periodic reference checks on current contractors as operating conditions can change.

Facility and Operational Practices Validation

The last step in the vendor vetting process is the facility and operational practices validation. It is important to verify maintenance facilities are up to your institution's standards for vehicles, including certified maintenance personnel. The carrier should also provide evidence of proper vehicle and driver documentation and record-keeping, including maintenance and inspection records and validation that drivers have appropriate CDLs, medical certificates, etc. Emergency action plan (in response to deteriorated road or traffic conditions, inclement weather, driver illness, etc.) and breakdown procedures should be discussed and provided as determined to be necessary. During this validation, also verify that the vehicles to be used comply with state laws for transport and are suitable for the desired use.

Contract for Services

Contracts can be used for single trips or on an annual basis. If an annual contract is used, a trip addendum must be provided for each trip. A contract and trip addendum with the vendor should also include hold harmless/indemnification language in favor of the institution, statutory safety equipment, routes, pickup and drop-off times, and equipment requirements. The contract should specifically address the drivers and specifics on the vehicles used for the trip. The contract should specifically state that the use of subcontractors is prohibited without prior approval of the institution. It is the institution's responsibility to pre-qualify any subcontractors to meet the standards of approved list carriers. A sample charter bus main annual contract without a trip addendum is included in Appendix D.

Pre-Trip Checklist and Inspection

Each institution should consider which of the following risk management attributes (and those in Appendix C) are appropriate, relative to your institutional tolerance for risk for pre-departure validation by an institution employee. Personnel should verify specific information prior to releasing a charter bus for travel on behalf of the institution. The carrier should be made aware of any items the driver will be expected to show onsite. Prior to departure, the following should be arranged with the driver.

- Verify emergency contacts.
- Check for valid driver's license and medical card, and ask to see the driver's logbook.
- Check vehicle registration to make sure vehicle is authorized in the states of travel, and that VIN and license plate match the registration.
- Check DOT annual inspection sticker for last date of inspection.
- Perform walk-around with driver using departure checklist (included in Appendix C).

Appendix A: Application to Provide Charter Bus Service

Pre-Qualification Checklist

A motor carrier seeking to be approved for use by the _____ institution is requested to answer the following questions and submit the following documentation.

COMPANY NAME

CONTACT PERSON

ADDRESS

PHONE NUMBER

FAX NUMBER

EMAIL

EMERGENCY CONTACT(S)

PHONE NUMBER(S) OF EMERGENCY CONTACT(S)

Facility and Operational Validation Discussion Items (Do Not Submit Information With This Checklist)

- ☐ Maintenance: on-site/off-site, personnel qualifications, inspections
- ☐ State or national professional associations or emergency aid organization membership
- ☐ Policy on emergencies and breakdowns; discuss recent breakdowns
- ☐ Policies on drivers' hours of service
- ☐ Drug and alcohol testing
- ☐ Driver qualifications

Documents to be Submitted With Application

1. Certificate of insurance in the amount of \$5 million (minimum) on which the institution (attn: Purchasing or designee) is named as an additional insured.
2. Endorsement for Motor Carrier Policies of Insurance for Public Liability (MCS-90B).
3. Evidence of a USDOT number (MCS-150, FMCSA letter, etc.).
4. Policy or contingency plan on overbooking and subcontracting, including the list of companies that are used as subcontractors. Note: Any company that is used as a subcontractor must also be on the institution's approved list.
5. Date of last compliance review (safety rating) and copy of the review if available, or include Department of Defense (DOD) certification if applicable.
6. Statement on how often and on what schedule driver's license or motor vehicle records (MVR) checks are performed on all drivers.
7. List of vehicles, including description, unit number, VIN number, license tag with date of last annual inspection.
8. List of all current drivers, including the date of each driver's last medical certification and the CDL expiration date.
9. Drug and alcohol testing policy.

By each signature, I certify that _____
(company name) meets all regulations required in the MCSR.

FMCSR (authorized signature)

PART 382 (CONTROLLED SUBSTANCE AND ALCOHOL TESTING)

PART 387 (FINANCIAL RESPONSIBILITY)

PART 390 (GENERAL APPLICABILITY AND DEFINITIONS)

PART 391 (DRIVER QUALIFICATIONS)

PART 392 (DRIVING RULES)

PART 393 (PARTS AND ACCESSORIES)

PART 395 (HOURS OF SERVICE)

PART 396 (INSPECTION, REPAIR AND MAINTENANCE)

PART 397 (GENERAL HAZARDOUS MATERIALS RULES)

Information for Drug and Alcohol Policy

HOW MANY DRIVING POSITIONS DO YOU HAVE AS PER PART 382?

HOW MANY DRUG TESTS WERE ADMINISTERED DURING LAST CALENDAR YEAR?

HOW MANY ALCOHOL TESTS WERE ADMINISTERED DURING LAST CALENDAR YEAR?

ARE YOU A MEMBER OF A DRUG OR ALCOHOL TESTING CONSORTIUM?

LIST CONSORTIUM/COMPANY NAME

PHONE

I hereby certify that all information contained in this document and all required documents attached to this document are factual and correct.

AUTHORIZED COMPANY REPRESENTATIVE

NAME (PRINT OR TYPE)

TITLE (PRINT OR TYPE)

SIGNATURE

DATE

Appendix B: Sample Vendor Insurance Certificate



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER BROKER NAME AND ADDRESS	CONTACT NAME:	
	PHONE (A/C, No, Ext):	FAX (A/C, No):
INSURED VENDOR NAME AND ADDRESS	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	
	INSURER A: (SHOW INSURANCE CO.)	
	INSURER B:	
	INSURER C:	
	INSURER D:	
INSURER E:		
INSURER F:		

COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY	Y			VERIFY VALID DATES	EFFECTIVE	EACH OCCURRENCE \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000
							MED EXP (Any one person) \$ 10,000
							PERSONAL & ADV INJURY \$ 1,000,000
							GENERAL AGGREGATE \$ 3,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						PRODUCTS - COMP/OP AGG \$ 3,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						\$
	OTHER:						\$
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY	Y			VERIFY VALID DATES	EFFECTIVE	COMBINED SINGLE LIMIT (Ea accident) \$ 5,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS ONLY						BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident) \$
							\$
	<input type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB						EACH OCCURRENCE \$
	<input type="checkbox"/> OCCUR <input type="checkbox"/> CLAIMS-MADE						AGGREGATE \$
	DED RETENTION \$						\$
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY	Y / N	N / A		VERIFY VALID DATES	EFFECTIVE	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
							E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

College is an additional insured for General Liability and Auto Liability. Waiver of subrogation applies in favor of the College for workers' compensation.

CERTIFICATE HOLDER

CANCELLATION

COLLEGE'S NAME AND ADDRESS	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE

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Appendix C: Departure Checklist

Each institution should consider which of the following risk management attributes (and those in the preceding Section IV) are appropriate, relative to your institutional tolerance risk for pre-departure validation by an institution employee.

Operational

- ☐ Prior to the day of the trip, review the terms of the contract. Bring a copy of the contract on the trip. Note: Emergency contact name and phone number should be in the contract.
- ☐ At the time of trip departure, check that the bus company that arrives is the one contracted for this trip. If any bus is not from that company, ensure the buses assigned are valid subcontractors on the list of prequalified vendors provided by the institution.
- ☐ Make sure the proper number of buses and drivers are present, as stipulated in the contract for the trip.
- ☐ Validate the vehicle safety and driver information below.

Vehicle

- ☐ Windows/windshield
- ☐ Interior lights
- ☐ Headlights (high beam/low beam)
- ☐ Tail lights/brake lights
- ☐ Horn
- ☐ Tires (no slick tires)
- ☐ Fire extinguisher (charged)
- ☐ Copy of the annual safety inspection (either sticker or paper)

Driver Information

- ☐ Valid commercial driver's license with passenger and institution bus endorsement
- ☐ Valid medical certificate (pocket card)
- ☐ Driver's record of duty status/logbook (does the driver have enough hours remaining to perform the trip)
- ☐ Vehicle registration card to ensure the vehicle is authorized to operate in the states of the trip (ensure the license plate and VIN number match the registration card)

Appendix D: Sample Charter Bus Contract

Sample Only (Do not use without legal review)

1. INTRODUCTION

This contract is entered into on the _____ day of _____, 20____, by and between [INSERT INSTITUTION NAME], hereinafter referred to as [INSERT INSTITUTION NAME], and _____, hereinafter referred to as Contractor, for the purpose of being a vendor to provide charter bus service to [INSERT INSTITUTION NAME].

1.1. CONTRACT PERIOD

The term of this contract will be effective from the date above in Paragraph 1 through the end of the current [INSERT INSTITUTION NAME] fiscal year (July 1).

1.2. SPECIFIC TRIP ARRANGEMENTS

This contract is a base agreement with [INSERT INSTITUTION NAME] to avoid re-execution of complete contract documents each time a charter bus trip needs to be scheduled. Companies with contracts on file will have provided appropriate assurances and liability insurance certificates to be maintained by [INSERT INSTITUTION NAME] for the period noted in this agreement. When a need for charter services arises within [INSERT INSTITUTION NAME], solicitations will be taken as necessary to determine the contractor who will receive the specific business for that trip/activity. Companies with executed base agreements on file will only be required to provide a trip addendum to consummate the final charter bus purchase. The trip addendum will include specific information about the trip, times, places, cost, etc., and shall be agreed to by the [INSERT INSTITUTION NAME] purchasing official and the requesting department. Additional signature by the contracting official at [INSERT INSTITUTION NAME] of the trip addendum will not be required as long as this agreement is on file and the term has not expired. If the trip addendum contains any additional terms, those terms must be agreed to in writing by an authorized official of [INSERT INSTITUTION NAME]. In the event of any conflict, the terms of this contract shall prevail.

1.3. VOLUME

[INSERT INSTITUTION NAME] does not guarantee Contractor any minimum or maximum amount of business during the term of this contract.

2.

3. TRIP CANCELLATION BY INSTITUTION

In such cases where it is necessary for [INSERT INSTITUTION NAME] to cancel a scheduled trip due to unforeseen circumstances, [INSERT INSTITUTION NAME] personnel will strive to notify Contractor as soon as possible. In cases where cancellation of a trip occurs at least two (2) hours before embarkation or before the driver has been dispatched, there will be no trip and/or penalty charges assessed. For less than two (2) hour notification, any penalty charges assessed will not equal the full cost of the planned trip. Such charges should be no larger than is needed to defray Contractor's expenses.

4. TARDINESS AND ADDITIONAL EXPENSES

4.1. Should Contractor arrive more than one (1) hour behind schedule, all charges connected with alternate arrangements, either made by [INSERT INSTITUTION NAME] personnel or Contractor, will be the responsibility of Contractor.

4.2. Contractor shall be responsible for any additional costs incurred by [INSERT INSTITUTION NAME] due to Contractor's failure to provide the services in accordance with this contract, including but not limited to breach of any warranty or representation in Section 4 below, mechanical failure or tardiness.

5. CONTRACTOR RESPONSIBILITIES AND REPRESENTATIONS

Contractor warrants the following:

- 5.1. That well-maintained and clean buses will be provided.
- 5.2. That all buses and equipment necessary to fulfill this charter bus contract are clean, in good working order and conform with proper standards of the industry.
- 5.3. That all driving staff provided are properly certified and licensed under the laws, rules and regulations of any authority having jurisdiction, if so required by such laws, rules and regulations.
- 5.4. That all driving staff provided have been drug tested in compliance with any applicable laws, rules and regulations of any authority having jurisdiction, if so required by such laws, rules and regulations.
- 5.5. That all driving staff provided conform to all applicable requirements for motor carrier drivers.
- 5.6. That all driving staff provided are prepared with accurate routing information.

5.7. That all of the services to be performed by the bus charter company under or pursuant to this contract shall be of the standard and quality which prevail among similar businesses and organizations of superior knowledge and skill engaged in providing similar services under the same or similar circumstances.

5.8. That Contractor has all necessary corporate power and has received all necessary corporate approvals to execute and deliver this contract, and the individual executing the contract on behalf of Contractor has been duly authorized to act for and bind the company.

5.9. Charter bus company warrants that all laws, rules and regulations of duly constituted authorities having jurisdiction over its activities shall be complied with by the charter bus company and its drivers.

6. PAYMENT BONDS (only for those institutions that require such financial validation)

6.1. Payment bonds are required on contracts greater than \$25,000. The cost of all required bonds shall be added to any individual purchase order for which it is required. Contractor must execute and return the required payment bond prior to providing the charter service.

6.2. The payment bond shall be executed in the full amount of the purchase order as a guarantee that the scope of work will be performed faithfully and that [INSERT INSTITUTION NAME] will be held harmless from all costs and damages which [INSERT INSTITUTION NAME] may suffer by reason of Contractor's default or failure to perform the work.

6.3. Each bond shall be accompanied by a valid power of attorney (issued by the surety company and attached, signed and sealed, with the corporate embossed seal, to the bond) authorizing the agent who signs the bond to commit the company to the terms of the bond, and stating (on the face of the power of attorney) the limit, if any, in the total amount for which he is empowered to issue a single bond.

6.4. The only forms of surety acceptable as payment bonds are cashier's check, certified check, irrevocable letter of credit issued by a financial institution subject to the laws of [INSERT STATE], a United States Treasury bond, or a surety or blanket bond from a company chartered or authorized to do business in the State of [INSERT STATE].

7. INDEPENDENT CONTRACTOR

Contractor recognizes that it is engaged as an independent contractor, and covenants and agrees that it shall conduct itself consistent with such status; that it will neither hold itself out as nor claim to be an officer, partner, employee or agent of [INSERT

INSTITUTION NAME] by reason hereof; and that it will not by reason hereof make any claim, demand, or application to or for any right or privilege applicable to an officer, partner, employee, or agent of [INSERT INSTITUTION NAME].

8. TERMINATION

Either party shall have the right to terminate this agreement without cause at any time giving sixty (60) days notice in writing to the other party. Upon notice of cancellation, Contractor shall be required to fulfill all outstanding obligations for scheduled trips or reimburse [INSERT INSTITUTION NAME] for any difference in cost for a rescheduled trip resulting in a higher expense to [INSERT INSTITUTION NAME]. Furthermore, [INSERT INSTITUTION NAME] reserves the right to terminate the service agreement without penalty in the event operations become restricted or cease due to local, state, or Federal state of emergency.

9. COMPLIANCE WITH LAW

Contractor warrants that all laws, rules and regulations of duly constituted authorities having jurisdiction over its activities shall be complied with by the Contractor and its drivers.

10. LIMITATION OF LIABILITIES

Except for the obligation of [INSERT INSTITUTION NAME] to pay Contractor pursuant to the terms of this contract, [INSERT INSTITUTION NAME] shall have no liability to Contractor or to anyone claiming through or under Contractor by reason of the execution or performance of this contract.

11. INDEMNIFICATION

To the fullest extent permitted by law, Contractor shall and does hereby agree to indemnify, protect, defend with counsel approved by [INSERT INSTITUTION NAME], and hold harmless [INSERT INSTITUTION NAME] and its respective officers, directors, attorneys, employees, representatives, and agents (collectively "indemnitees") from and against all damages, losses, liens, causes of action, suits, judgments, expenses (including reasonable attorney's fees), and other claims of any nature, kind, or description (collectively "Claims") by any person or entity, arising out of, caused by, or resulting from Contractor's performance under this agreement and which are caused in whole or in part by any negligent act, negligent omission, or willful misconduct of Contractor, anyone directly or indirectly employed by Contractor, or anyone for whose acts Contractor may be liable. The provisions of this section shall not be construed to eliminate or reduce any other indemnification or right which any indemnitee has by law. The indemnities contained herein shall survive the termination of this contract for any reason whatsoever.

12. INSURANCE

Contractor, consistent with its status as an independent contractor, will carry and will cause its subcontractors to carry at least the following insurance from companies having an A.M. Best rating of “A-”, VI or better, in the form and in the amounts as [INSERT INSTITUTION NAME] may require:

Workers’ compensation insurance with statutory limits and employers liability insurance with limits of not less than \$1 million.

Employers liability	Each accident \$1 million
Employers liability	Each employee \$1 million

Policies must include (a) other states endorsement to include [INSERT STATE] if business is domiciled outside the state of [INSERT STATE], and (b) a waiver of all rights of subrogation in favor of [INSERT INSTITUTION NAME].

In addition to the above workers’ compensation coverage required of all contractors, transportation brokers shall provide the following additional coverage.

Commercial general liability insurance with limits of not less than the following:

Each occurrence limit	\$1 million
Damage to rented premises	\$100,000
Medical expenses (any one person)	\$10,000
Personal and advertising injury	\$1 million
General aggregate	\$3 million
Products — completed operations aggregate	\$3 million

The commercial general liability policy must not exclude coverage for claims of negligent hiring, training and supervision, which may arise in the context of sexual molestation, abuse, harassment or similar sexual misconduct.

Commercial automobile liability insurance covering all owned, non-owned or hired automobiles, with coverage for at least \$5 million combined single limit bodily injury and property damage. Coverage shall include medical payments for passengers.

If limits are not met in primary insurance contracts, umbrella/excess liability insurance may be provided with limits of not less than \$4 million per occurrence and aggregate with a self-insured retention of no more than \$10,000, and (i) providing coverage in excess of and (ii) following form, subject to the same provisions as, the underlying policies required for general liability and commercial auto liability insurance. Inception and expiration dates will be the same as the underlying policies.

Charter and direct carrier contractors shall provide an all-risk physical damage policy on their buses, naming the board of regents of the _____ institution and their respective affiliated enterprises, officers, directors, employees, representatives, and agents as additional insured under the policy. The policy shall provide the board of regents of the _____ institution and their respective affiliated enterprises, officers, directors, employees, representatives, and agents with a waiver of subrogation.

Contractor agrees to indemnify [INSERT INSTITUTION NAME] for any applicable deductibles and self-insured retentions.

Contractor shall not commence work under this contract until it has obtained all the insurance required hereunder and delivered to [INSERT INSTITUTION NAME] evidence satisfactory, in [INSERT INSTITUTION NAME]’s sole discretion, of the existence of all insurance required under this contract. Insurance policies, with the exception of workers’ compensation and employers liability, will name and the evidence will reflect [INSERT INSTITUTION NAME] as an additional insured.

13. RECORDS

Contractor agrees to keep accurate records of financial or working processes and any records relative to the performance of this agreement. Contractor further agrees that such books and records shall be subject to inspection and audit by any person designated by [INSERT INSTITUTION NAME] at all reasonable times during business hours.

Contractor shall retain all books, records and other documents concerning performance of this agreement for at least three (3) years after termination of this agreement or final payment under it. Contractor shall, upon request of [INSERT INSTITUTION NAME], allow [INSERT INSTITUTION NAME], to have full access to and the right to examine any of such documents during such period and the period the agreement is in effect.

14. GENERAL PROVISIONS

14.1. ASSIGNMENT

This contract is a personal service contract for the services of Contractor, and Contractor's interest in this contract, duties hereunder and fees due hereunder may not be subcontracted, assigned or delegated to any party without the prior written approval of [INSERT INSTITUTION NAME], and any attempt to do so shall be void and of no effect.

Insert other general provisions as needed or required in compliance with applicable laws.

COMPANY NAME

SIGNATURE

PRINTED NAME

TITLE

DATE

Appendix E: Resources

Third-Party Contractual Insurance Guidelines, URMIA

<https://www.urmia.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=db527088-cdaa-3e8f-888e-9b71ec934053&forceDialog=0>

Safety In Student Transportation: A Resource Guide for Colleges & Universities, ACE, NCAA & UE joint publication

<https://www.edurisksolutions.org/templates/template-article.aspx?id=1735&pageid=135>

Vehicle Liability — Managing the Risks, URMIA

<https://www.urmia.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=32d6e333-d70c-45e8-8627-811be1b57185&forceDialog=1>

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