



SafetyNet Special Edition

A special edition of *SafetyNet* designed especially for the Business Administrator

Precautions When Outsourcing

As our districts outsource to conform with budget issues, our General Liability exposures escalate with more and more independent contractor's employees being on premises for extended periods of time. Accordingly, food service aides, security guards and custodians working for independent contractors have free rein on our school's premises. They can sue the school should they become injured. The districts are insulated from the Workers' Compensation liens but not from BI claims that surpass the Title 59 threshold.

By adding certain clauses to your district's proposed or existing vendor contracts, the liability exposure can be shifted to the contractor.

A sample addendum is as follows:

Paragraph 1. Indemnification

Contractor shall indemnify, defend, and hold harmless the School, its employees and agents, from and against any and all injuries or death of any and all persons and any and all losses or damage to property arising out of or in connection with any of the following:

- a. the work which is the subject of this contract;
- b. the entry upon or possession of the work site by Contractor, its employees and agents; or
- c. the acts or omissions of Contractor, including any of Contractor's sub-contractors, agents, employees, invitees or any other person for whom contractor or any of its subcontractors is responsible.

It is hereby expressly stated to be the explicit intention of the parties that the obligation on the part of Contractor to indemnify, defend and hold harmless shall include, but in no way be limited to, the obligation to indemnify, defend, and hold harmless the School for the School's own negligence. However, Contractor's obligation herein shall not extend to claims resulting from the sole negligence of the School.

Paragraph 2. Insurance

Contractor shall purchase and maintain comprehensive general liability insurance with liability limits of \$1,000,000 per occurrence. Contractor shall have the School named as an additional insured on Contractor's general liability insurance policy. Said insurance policy shall, by its terms, afford coverage to the School, its employees and agents, for liability arising out of Contractor's work and/or operations. Said insurance policy shall, by its terms, afford coverage to the School, its employees and agents, on a primary basis, with any applicable liability insurance procured by the School itself to be excess over said coverage. Said policy will guarantee that the additional insured School District be given a 30 day notice of any cancellation.

These suggestions should be reviewed and approved by your Board attorney and incorporated if possible. Any questions, feel free to discuss with me at 609-386-6060 extension 3095. ■

William Miller
NJSBAIG Claim Supervisor