DATE: July 12, 2016

TO: City Council

THROUGH: Greg Nyhoff, City Manager
Office of the City Manager

FROM: Daniel Rydberg, Public Works Director

SUBJECT: Third Amendment to Agreement No. A-7620 with Aquatic Bioassay and Consulting Laboratories, Inc. (5/5)

CONTACT: Badaoui Mouderes, Public Works
Badaoui.Mouderes@oxnard.org, 805.385.8153

RECOMMENDATION:

That City Council approve and authorize the Mayor to execute a Third Amendment to Agreement No. A-7620 with Aquatic Bioassay and Consulting Laboratories, Inc., in the amount of $423,796 for a total amount of $1,545,963 for receiving water monitoring services and to extend the expiration date to July 1, 2017.

BACKGROUND

On November 5, 2013, the City Council approved Agreement No. A-7620 for receiving water monitoring services in the amount $211,098 for the first nine-month period, and provided for an option to renew for five (5) additional one-year terms at approximately $450,000 per year. The annual costs are for basic services excluding special studies required by the Los Angeles Regional Water Quality Control Board. A First Amendment to the Agreement for fiscal year 2014-2015 was approved by City Council on July 8, 2015 in the amount of $451,281 and a Second Amendment was approved by City Council on July 21, 2015 for fiscal year 2015-2016 in the amount of $459,788. This Third Amendment is in the amount of $423,796 and extends the expiration date to July 1, 2017.

The Oxnard Wastewater Treatment Plant discharges treated wastewater to the Pacific Ocean via an ocean outfall structure. This discharge is regulated by both federal and state laws, and is
permitted by the California Regional Water Quality Control Board via a National Pollutant Discharge Elimination System (NPDES) permit. The permit requires the City to monitor the quality of the treated wastewater, as well as monitor the Pacific Ocean in the vicinity of the outfall structure (Santa Clara River Mouth to Point Mugu). The ocean monitoring includes both chemical and biological sampling & analyses.

The City’s NPDES permit requires that the City utilize only laboratories which are certified by the California Environmental Laboratories Accreditation Program (ELAP). In the State of California, there are 605 ELAP-certified laboratories. Of the 605 total laboratories, there are 102 located in the six coastal counties surrounding Oxnard (Los Angeles, Orange, Ventura, San Diego, San Luis Obispo, Santa Barbara). Staff researched the 102 companies in order to establish a list of proposers that may be able to meet the sampling requirements in Oxnard’s permit. Of the 102 laboratories researched and contacted, 21 expressed interest in the City’s request for proposals. On August 15, 2013, the City issued a request for proposals for receiving water monitoring services to the 21 companies, advertised in the Ventura County Star, and posted on the City’s website. Only Aquatic Bioassay & Consulting Laboratories, Incorporated (ABC Laboratories) responded to the City’s request for proposals.

FINANCIAL IMPACT

Funds are available in the Fiscal Year 2016-2017 Wastewater Treatment Fund, Operating Account Number 621-6201-842-8210 to cover the cost of this Third Amendment.
THIRD AMENDMENT TO AGREEMENT FOR CONSULTING SERVICES

This Third Amendment ("Third Amendment") to the Agreement for Consulting Services ("Agreement") is made and entered into in the County of Ventura, State of California, this ___ day of ______, 2016, by and between the City of Oxnard, a municipal corporation ("City"), and Aquatic Bioassay & Consulting Laboratories, Inc. ("Consultant"). This Third Amendment amends the Agreement entered into on October 22, 2013, by City and Consultant. The Agreement previously has been amended on July 8, 2014, by a First Amendment, and on July 14, 2015, by a Second Amendment.

City and Consultant agree as follows:

1. Section 12 of Agreement is deleted in its entirety and replaced with the following: "This Agreement shall begin on October 22, 2013 and expire on July 1, 2017, with the potential for two (2) additional one-year extensions beginning July 1, 2017, based upon successful completion of the terms of the monitoring program."

2. Section 14a of the Agreement is amended to read as follows: "City agrees to pay Consultant in an amount not to exceed $1,545,963 for services provided under this Agreement until June 30, 2017 at rates provided in Exhibit B attached hereto and incorporated by this reference in full herein."


4. As so amended, the Agreement remains in full force and effect.

CITY OF OXNARD

Tim Flynn, Mayor

ATTEST

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

Stephen M. Fischer, City Attorney

APPROVED AS TO CONTENT:

Daniel Rydberg, P.E., Public Works Director

Badaoui Mouderes, Interim Environmental Compliance and Program Management Division Manager

CONSULTANT

________________________

Thomas Mikel, Aquatic Bioassay and Consulting Laboratories, Inc.

APPROVED AS TO INSURANCE:

Risk Manager

APPROVED AS TO AMOUNT:

Greg Nyhoff, City Manager
# City of Oxnard

**Recieving Water Monitoring Price Sheet - 2016 to 2017**

Valid thru June, 2017

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<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Program</th>
<th>Task Total</th>
<th>2016-2017 Budget</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 - 2017</td>
<td>Task 1: Receiving Water Monitoring</td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Field</td>
<td>$84,460</td>
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<td>(4) Quarterly surveys in August, November, February, May</td>
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<tr>
<td></td>
<td>Lab</td>
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<td>Bacti and ocean acidification analyses; 54 each per quarterly survey</td>
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<td>Management</td>
<td>$42,698</td>
<td>$177,873</td>
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<td>Task 2: Benthic Sediments Monitoring</td>
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<tr>
<td></td>
<td>Field</td>
<td>$21,683</td>
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<td>August and September</td>
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<tr>
<td></td>
<td>Lab</td>
<td>$24,960</td>
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<td>NPDES specified constituents; (7) stations</td>
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<td>Task 3: Fish &amp; Macroinvertebrate Monitoring</td>
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<tr>
<td></td>
<td>Field</td>
<td>$31,456</td>
<td></td>
<td>Population Trawls + Bagged Mussels</td>
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<tr>
<td></td>
<td>Lab</td>
<td>$22,648</td>
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<td>NPDES specified constituents; (15) composite samples</td>
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<td>Management</td>
<td>$14,698</td>
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<td>Right Regional Meetings, program management</td>
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<td>Task 4: Seafood Safety Monitoring</td>
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<td>Field</td>
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<td>Only in years 2,3 and 5 of the permit; 2016 excluded</td>
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<tr>
<td></td>
<td>Lab</td>
<td>-</td>
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<td>NPDES specified constituents; (15) composite samples</td>
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<td></td>
<td>Management</td>
<td>-</td>
<td>-</td>
<td>Right Regional Meetings, program management</td>
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<tr>
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<td>Task 5: Special Studies</td>
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<td></td>
<td>Mussel array &amp; Effluent CECs</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>Field</td>
<td>$1,353</td>
<td></td>
<td>Equipment, mussels, boat day</td>
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<tr>
<td></td>
<td>Lab</td>
<td>$42,079</td>
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<td>CEC analyses w/ 25% laboratory adjustment.</td>
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<td>Management</td>
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<td>Included in pricing above</td>
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<td>Task 6: Kelp Bed Monitoring</td>
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<td>Management</td>
<td>$8,531</td>
<td>$8,531</td>
<td>Annual Meeting; document review; aerial fly over costs</td>
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<td>Task 7: Annual Outfall &amp; Diffuser Inspection</td>
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<td>Field</td>
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<td>September to October annually</td>
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<td>Lab</td>
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<td>Video review and preparation</td>
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<td></td>
<td>Management</td>
<td>$2,683</td>
<td>$15,237</td>
<td>Program Management</td>
</tr>
</tbody>
</table>

**TOTAL 2016 to 2017 Budget** $423,796
CERTIFICATE OF LIABILITY INSURANCE

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 INSURING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must 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
ISU INS SERV - BC ENV BROKERAGE
1037 SunCast Ln Ste 103
El Dorado Hills, CA 95762

CONTACT
NAME: KELLY LAZARO
PHONE: (916) 939-1080
EMAIL: (916) 939-1085

INSURED
AQUATIC BIOASSAY & CONSULTING LABS, INC.
ABC LABS
29 NORTH OLIVE STREET
VENTURA, CA 93001

INSURED B: HARTFORD ACCIDENT & INDEMNITY
INSURED C
INSURED D
INSURED E
INSURED F

COVERAGE
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.

<table>
<thead>
<tr>
<th>INDEX</th>
<th>TYPE OF INSURANCE</th>
<th>POLICY NUMBER</th>
<th>LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
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<td>$ 2,000,000</td>
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<tr>
<td>A</td>
<td>CONT. POLLUTION</td>
<td>PROJECT LOC X OCCUR UVEDE104792115 07/29/15 07/29/16</td>
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<tr>
<td>A</td>
<td>AUTOMOBILE LIABILITY</td>
<td>POLICY X OCCUR UVEDE104730115 07/29/15 07/29/16</td>
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<td>B</td>
<td>ANY AUTO ALL OWNED AUTOS</td>
<td>SCHEDULED AUTOS NON-OWNED AUTOS UVEDE104730115 07/29/15 07/29/16</td>
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<td>EXCESS LIABILITY</td>
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<td>A</td>
<td>PROF. LIABILITY CLAIMS MADE</td>
<td>UVEDE104792115 07/29/15 07/29/16</td>
<td>$ 2,000,000</td>
</tr>
</tbody>
</table>

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

RE: REFERENCE NO. A-6892

THE CITY OF OXNARD, ITS CITY COUNCIL, OFFICERS, EMPLOYEES, AGENTS AND VOLUNTEERS HAVE BEEN NAMED AS ADDITIONAL INSURED WITH RESPECT TO THE GENERAL AND AUTO LIABILITY. PRIMARY AND NON CONTRIBUTORY COVERAGE AND WORDING APPLIES. WAIVER OF SUBROGATION APPLIES. SEVERABILITY OF INTEREST APPLIES. 30 DAY NOTICE OF CANCELLATION APPLIES. (BLANKET ENDORSEMENTS ATTACHED)

CERTIFICATE HOLDER
CANCELLATION

CITY OF OXNARD
ATTN: RISK MANAGER
REFERENCE NO. A-6892
300 W. THIRD STREET, SUITE 302
OXNARD, CA 93030

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

ACORD 25 (2014/01) The ACORD name and logo are registered marks of ACORD
LIBERTY SURPLUS INSURANCE CORPORATION
(A New Hampshire Stock Insurance Company, hereinafter the "Company")

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION ENDORSEMENT – DESIGNATED ENTITY

Effective Date: June 7, 2016  Expiration Date: July 29, 2016
Policy Number: UVHDE104729115  Endorsement No.: 19
Issued To: Aquatic Bioassay & Consulting Laboratories, Inc. d/b/a ABC Labs, Inc.

<table>
<thead>
<tr>
<th>Premium Type</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Premium</td>
<td>$250.00</td>
</tr>
<tr>
<td>Certified Terrorism Premium</td>
<td>Rejected</td>
</tr>
<tr>
<td>Non-Certified Terrorism Premium</td>
<td>Rejected</td>
</tr>
<tr>
<td>Total Premium</td>
<td>$250.00  SLY: $7.50, Stamping Tax: $50. Total: $258.00</td>
</tr>
</tbody>
</table>

It is hereby agreed that SECTION V – CONDITIONS, paragraph 3., Cancellation, of the policy is modified as follows, but only for the Designated Entity(s) scheduled on this endorsement:

Except for instances where cancellation is due to the non-payment of premium, we will send thirty (30) days written notice to the Designated Entity shown in the Schedule below, if the policy is cancelled by us.

SCHEDULE

Designated Entity(s):
City of Oxnard
300 W. Third St., #302
Oxnard, CA 93030

Failure to send written notice, as provided in this endorsement, to the Designated Entity(s) above, does not invalidate any cancellation of coverage as it pertains to the interests of any other person or entity.

All other terms, conditions and exclusions shall remain the same.
LIBERTY SURPLUS INSURANCE CORPORATION
(A New Hampshire Stock Insurance Company, hereinafter the "Company")

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF SUBROGATION

Effective Date: June 7, 2016  Expiration Date: July 29, 2016
Policy Number: UVEDE104729115  Endorsement No.: 18
Issued To: Aquatic Bioassay & Consulting Laboratories, Inc. dba ABC Labs, Inc.

Base Premium: $250.00
Certified Terrorism Premium: Rejected
Non Certified Terrorism Premium: Rejected
Total Premium: $250.00 SUT: $7.50, Stamping Tax: $5.50, Total: $250.00

It is hereby agreed that, SECTION V - CONDITIONS, paragraph 14. Subrogation is modified as follows:

SCHEDULE

Name of Person or Organization:
City of Oxnard, its city council, officers, employees, agents and volunteers
300 W. Third St., #302
Oxnard, CA 93030

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The Subrogation Condition (Section V - Conditions) is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization. This waiver applies only to the person or organization shown in the Schedule above.

All other terms, conditions and exclusions shall remain the same.
LIBERTY SURPLUS INSURANCE CORPORATION
(A New Hampshire Stock Insurance Company, hereinafter the "Company")

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED / PRIMARY COVERAGE ENDORSEMENT

<table>
<thead>
<tr>
<th>Effective Date:</th>
<th>June 7, 2016</th>
<th>Expiration Date:</th>
<th>July 29, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Number:</td>
<td>UVEDE:104729115</td>
<td>Endorsement No.:</td>
<td>17</td>
</tr>
<tr>
<td>Issued To:</td>
<td>Aquatic Bioassay &amp; Consulting Laboratories, Inc. dba ABC Labs, Inc.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

|                  | $250.00            |
| Certified Terrorism Premium: | Rejected           |
| Non-Certified Terrorism Premium: | Rejected           |
| Total Premium:      | $250.00 SLT: $7.50, Stamping Tax: $5.00, Total: $258.00 |

In consideration of an additional premium of $250, it is hereby agreed that the following is included as an Additional Insured as respects Coverages A, B and D but only as respects liability arising out of "your work" for the Additional Insured by or for you.

Additional Insured:

City of Oxnard, its city council, officers, employees, agents and volunteers
300 W. Third St., #502
Oxnard, CA 93030

This does not apply to "bodily injury", "property damage" or "environmental damage" arising out of the sole negligence or willful misconduct of, or for defects in design furnished by, the Additional Insured.

As respects the coverage afforded the Additional Insured, this insurance is primary and non-contributory, and our obligations are not affected by any other insurance carried by such Additional Insured whether primary, excess, contingent, or on any other basis.

This endorsement does not increase the company's limits of liability as specified in the Declarations of this policy.

All other terms, conditions and exclusions shall remain the same.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US (WAIVER OF SUBROGATION)

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured:

Endorsement Effective Date:

SCHEDULE

Name(s) Of Person(s) Or Organization(s):
THE CITY OF OXNARD, ITS CITY COUNCIL, OFFICERS, EMPLOYEES AGENTS, VOLUNTEERS

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The Transfer Of Rights Of Recovery Against Others To Us condition does not apply to the person(s) or organization(s) shown in the Schedule, but only to the extent that subrogation is waived prior to the "accident" or the "loss" under a contract with that person or organization.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

NAMED PERSON(S) OR ORGANIZATION(S)

COMMERCIAL AUTO COVERAGE PART

THE CITY OF THOUSAND OAKS, ITS ELECTED OFFICIALS, OFFICERS AND EMPLOYEES
9600 SANTA ROSA ROAD
CAMARILLO, CA 93012
RE: TOXICITY AND BIO-ASSESSMENT / VENTURA AND THOUSAND OAKS

THE CITY OF OXNARD, ITS CITY COUNCIL, OFFICERS, EMPLOYEES, AGENTS, AND VOLUNTEERS.
300 W. THIRD ST. #302
OXNARD, CA 93030
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NOTICE OF CANCELLATION TO CERTIFICATE HOLDER(S)

This policy is subject to the following additional Conditions:

A. If this policy is cancelled by the Company, other than for nonpayment of premium, notice of such cancellation will be provided at least thirty (30) days in advance of the cancellation effective date to the certificate holder(s) with mailing addresses on file with the agent of record or the Company.

B. If this policy is cancelled by the Company for nonpayment of premium, or by the insured, notice of such cancellation will be provided within (10) days of the cancellation effective date to the certificate holder(s) with mailing addresses on file with the agent of record or the Company.

If notice is mailed, proof of mailing to the last known mailing address of the certificate holder(s) on file with the agent of record or the Company will be sufficient proof of notice.

Any notification rights provided by this endorsement apply only to active certificate holder(s) who were issued a certificate of insurance applicable to this policy's term.

Failure to provide such notice to the certificate holder(s) will not amend or extend the date the cancellation becomes effective, nor will it negate cancellation of the policy. Failure to send notice shall impose no liability of any kind upon the Company or its agents or representatives.
COMMERCIAL AUTOMOBILE BROADC FORM ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply.

1. BROAD FORM INSURED
   A. Subsidiaries and Newly Acquired or Formed Organizations
      The Named Insured shown in the Declarations is amended to include:
      (1) Any legal business entity other than a partnership or joint venture, formed as a subsidiary in which you have an ownership interest of more than 50% on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
      (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
         (a) That is a partnership or joint venture,
         (b) That is an "insured" under any other policy,
         (c) That has exhausted its Limit of Insurance under any other policy, or
         (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.
      Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.
   B. Employees as Insureds
      Paragraph A.1. - WHO IS AN INSURED - of SECTION II - LIABILITY COVERAGE is amended to add:
      d. Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.
   C. Lessors as Insureds
      Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:
      e. The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
         (1) The agreement requires you to provide direct primary insurance for the lessor and
         (2) The "auto" is leased without a driver.
      Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire.
   D. Additional Insured if Required by Contract
      (1) Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:
      f. When you have agreed, in a written contract or written agreement, that a person or organization be added as an additional insured on your business auto policy, such person or organization is an "insured", but only to the extent such person or organization is liable for "bodily injury" or "property damage" caused by the conduct of an "insured" under paragraphs a. or b. of Who Is An Insured with regard to the ownership, maintenance or use of a covered "auto."
The insurance afforded to any such additional insured applies only if the "bodily injury" or "property damage" occurs:

(1) During the policy period, and

(2) Subsequent to the execution of such written contract, and

(3) Prior to the expiration of the period of time that the written contract requires such insurance be provided to the additional insured.

(2) How Limits Apply

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of:

(a) The limits of insurance specified in the written contract or written agreement; or

(b) The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section.

(3) Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance.

(4) Duties In The Event Of Accident, Claim, Suit or Loss

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the additional insured shall be required to comply with the provisions in LOSS CONDITIONS 2. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - OF SECTION IV - BUSINESS AUTO CONDITIONS, in the same manner as the Named Insured.

E. Primary and Non-Contributory if Required by Contract

Only with respect to insurance provided to an additional insured in 1.D. - Additional Insured If Required by Contract, the following provisions apply:

(3) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in Other Insurance 5.d.

(4) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (3) and (4) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, by the method described in Other Insurance 5.d.

2. AUTOS RENTED BY EMPLOYEES

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire.

The OTHER INSURANCE Condition is amended by adding the following:
If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

3. AMENDED FELLOW EMPLOYEE EXCLUSION

EXCLUSION 5. - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers compensation insurance in-force covering all of your "employees".

Coverage is excess over any other collectible insurance.

4. HIRED AUTO PHYSICAL DAMAGE COVERAGE

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit.

The most we will pay for "loss" to any hired "auto" is:

1. $100,000;
2. The actual cash value of the damaged or stolen property at the time of the "loss";
3. The cost of repairing or replacing the damaged or stolen property, whichever is the smaller, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of $1000 per "accident".

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households.

5. PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of $50 per day and a maximum limit of $1,000.

6. LOAN/LEASE GAP COVERAGE

Under SECTION III - PHYSICAL DAMAGE COVERAGE, in the event of a total "loss" to a covered "auto", we will pay your additional legal obligation for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the loan/lease.

"Outstanding balance" means the amount you owe on the loan/lease at the time of "loss" less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; lease termination fees; security deposits not returned by the lessor; costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease; and carry-over balances from previous loans or leases.

7. AIRBAG COVERAGE

Under Paragraph B. EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

8. ELECTRONIC EQUIPMENT - BROADENED COVERAGE

a. The exceptions to Paragraphs B.4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following:

Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

1. Permanently installed in or upon the covered "auto";
2. Removable from a housing unit which is permanently installed in or upon the covered "auto";
3. An integral part of the same unit housing any electronic equipment described in Paragraphs (1) and (2) above; or
(4) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

b. Section III – Version CA 00 01 03 10 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C.2 and Version CA 00 01 10 01 of the Business Auto Coverage Form, Physical Damage Coverage, Limit of Insurance, Paragraph C are each amended to add the following:

$1,500 is the most we will pay for "loss" in any one "accident" to all electronic equipment (other than equipment designed solely for the reproduction of sound, and accessories used with such equipment) that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:

(1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

(2) Removable from a permanently installed housing unit as described in Paragraph 2.a. above or is an integral part of that equipment; or

(3) An integral part of such equipment.

c. For each covered "auto", should loss be limited to electronic equipment only, our obligation to pay for, repair, return or replace damaged or stolen electronic equipment will be reduced by the applicable deductible shown in the Declarations, or $250, whichever deductible is less.

9. EXTRA EXPENSE - BROADENED COVERAGE

Under Paragraph A. - COVERAGE - of SECTION III - PHYSICAL DAMAGE COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you.

10. GLASS REPAIR - WAIVER OF DEDUCTIBLE

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

11. TWO OR MORE DEDUCTIBLES

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

If another Hartford Financial Services Group, Inc. company policy or coverage form that is not an automobile policy or coverage form applies to the same "accident", the following applies:

(1) If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived;

(2) If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

12. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

The requirement in LOSS CONDITIONS 2.a. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - of SECTION IV - BUSINESS AUTO CONDITIONS that you must notify us of an "accident" applies only when the "accident" is known to:

(1) You, if you are an individual;

(2) A partner, if you are a partnership;

(3) A member, if you are a limited liability company; or

(4) An executive officer or insurance manager, if you are a corporation.

13. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure.

14. HIRED AUTO - COVERAGE TERRITORY

Paragraph e. of GENERAL CONDITIONS 7. - POLICY PERIOD, COVERAGE TERRITORY - of SECTION IV - BUSINESS AUTO CONDITIONS is replaced by the following:

e. For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insured's" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit," the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

15. WAIVER OF SUBROGATION

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - of SECTION IV - BUSINESS AUTO CONDITIONS is amended by adding the following:
We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damages under this Coverage Form.

16. RESULTANT MENTAL ANGUISH COVERAGE

The definition of "bodily injury" in SECTION V-DEFINITIONS is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death resulting from any of these.

17. EXTENDED CANCELLATION CONDITION

Paragraph 2. of the COMMON POLICY CONDITIONS - CANCELLATION - applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail or deliver to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation.

18. HYBRID, ELECTRIC, OR NATURAL GAS VEHICLE PAYMENT COVERAGE

In the event of a total loss to a "non-hybrid" auto for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended as follows:

a. If the auto is replaced with a "hybrid" auto or an auto powered solely by electricity or natural gas, we will pay an additional 10%, to a maximum of $2,500, of the "non-hybrid" auto's actual cash value or replacement cost, whichever is less.

b. The auto must be replaced and a copy of a bill of sale or new lease agreement received by us within 60 calendar days of the date of "loss,"

c. Regardless of the number of autos deemed a total loss, the most we will pay under this Hybrid, Electric, or Natural Gas Vehicle Payment Coverage provision for any one "loss" is $10,000.

For the purposes of the coverage provision,

a. A "non-hybrid" auto is defined as an auto that uses only an internal combustion engine to move the auto but does not include autos powered solely by electricity or natural gas.

b. A "hybrid" auto is defined as an auto with an internal combustion engine and one or more electric motors; and that uses the internal combustion engine and one or more electric motors to move the auto, or the internal combustion engine to charge one or more electric motors, which move the auto.

19. VEHICLE WRAP COVERAGE

In the event of a total loss to an "auto" for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended to add the following:

In addition to the actual cash value of the "auto", we will pay up to $1,000 for vinyl vehicle wraps which are displayed on the covered "auto" at the time of total loss. Regardless of the number of autos deemed a total loss, the most we will pay under this Vehicle Wrap Coverage provision for any one "loss" is $5,000. For purposes of this coverage provision, signs or other graphics painted or magnetically affixed to the vehicle are not considered vehicle wraps.