Contract Procedures Manual (SM021) Part A – Appendix XXIII

Request for approval of insurance amounts PS contract

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| **To:** | *<<Guidance note: Required for all PS contracts >$10m. This memo should be sent to* [*Marsh*](https://www.marsh.com/nz/industries/transportation/nz-transport-agency-pai.html/)*, with their comments incorporated for endorsement prior to being submitted to the Senior Manager Procurement.>>* insurance@nzta.govt.nz (on behalf of Senior Manager Procurement) |
| **CC:** |  |
| **From:** |  |
| **Date:** |  |
| **Waka Kotahi reference:** | File reference: [File Number] |
| **Subject:** | **Insurance levels: [Project Name]** |

**1 Purpose**

To seek the Senior Procurement Manager’s approval for the proposed insurance levels for [Project Name], [Project Phase] in accordance with Waka Kotahi’s *Contract procedures manual* (SM021), *Liability and insurance for PS contracts*.

**2 Action/Deadline**

Senior Manager Procurement to endorse the proposed insurance levels below, or propose an alternative course of action by 10am [day and date]. *<<Guidance note: Provide adequate time frame, typically 3 weeks. If shorter time frame required please substantiate the requirement.>>*

**3 Insurance amounts proposed**

|  |  |
| --- | --- |
| **Description** | **Value** |
| **Limitation of liability**(CCCS 6.2) | $[amount] *<<Guidance note: Limitation amount will generally be in accordance with SM030 General and special conditions of contract. i.e. Five times the fee with a minimum limit of $500K and a maximum limit of $2M. Project Manager to advise Senior Manager Procurement where different, and why.>>* |
| **Duration of liability**(CCCS 6.4) | [x years] from the date of completion of the services *<<Guidance note: Duration will generally be in accordance with SM030 General and special conditions of contract.( note default duration is 6 years). Project manager to advise Senior Manager Procurement where different, and why.>>* |
| **Professional indemnity**(CCCS 6.5) | $[amount] with at with at least one automatic reinstatement of the minimum amount per 12-month period of insurance *<<Guidance note: Default is for the amount specified for limitation of liability above>>.* |
| **Public liability**(CCCS 6.5) | $[$ amount]] million *<<Guidance note: Default is $5 million>>* |
| Base estimate of PS fees | $[amount] over a period of [‘x’ months/years] |
| Base estimate of PW (if applicable) | $[$ amount] million. |

**4 Background**

*<<Guidance note: Provide brief description of project phase, e.g. this phase is for the design of the 10km four-lane upgrade with one interchange structure for…… Phase period will be for ‘x period’, construction start anticipated to commence {date] and expected to run for ‘x period’>>.*

Tenders for this contract close [contract closure date]

**5 Contract risk profile**

*<<Guidance note: This is the critical part of the submission to the Senior Manager Procurement; ensure a rigorous assessment of risk has been undertaken. Identify in this section the Extreme and High risks with their current exposure risk score, which should they impact, may result in a claim under the policies to be established.*

*Append the Risk and Action Registers, with the date of issue identified>>.*

**6 Insurance background**

*<<Guidance note: Prior to submitting this memo to* *insurance@nzta.govt.nz**, the project / network manager must discuss the contract with our insurance advisors to enable this section of the Appendix XXIII to be satisfactorily completed.* [*Contact Marsh*](https://www.marsh.com/nz/industries/transportation/nz-transport-agency-pai.html/) *for further information regarding what the insurers will require. Note that this may vary between projects.*

**7 Recommendation**

That the Senior Manager Procurement approves the insurance levels proposed for inclusion in the contract documents.

***Prepared by:*** << Project Manager/Network Manager>>

Name: Signed: Dated:

***Endorsed by the Senior Manager Risk & Assurance:***

Name: Signed: Dated:

***Approved by the Senior Manager Procurement:***

Name: Signed: Dated: