
CGP015 – Contractor Risk and Insurance

1. Intention

To set out the insurances that contractors must carry in order that they are adequately covered and that the Shire is therefore indemnified from claims arising from the actions of the contractor.

2. Scope

This policy applies to any external party involved in providing goods or services to the Council, such as contractors, consultants, outsourced service providers and suppliers.

3. Statement

Tender and contractual documentation should contain the clauses that are set out below:

1. The Contractor shall be solely responsible for the services and shall bear the sole risk for any loss or damage whether to any person or property caused by or resulting from, directly or indirectly, any act or omission of the Contractor or any default or negligence by the Contractor irrespective of any negligence, default or breach of statutory duty on the part of Council.
2. The Contractor shall indemnify and keep indemnified Council from and against any loss or damage and against claims, demands, proceedings, costs, charges and expenses whatsoever arising out of any act or omission of the Contractor or any default by the Contractor irrespective of any negligence, default or breach of statutory duty on the part of Council.
3. The Contractor shall, at the contractors own expense, procure and maintain and shall ensure that all Sub-Contractors procure and maintain the following insurances, such insurance shall be specifically endorsed so that it is deemed primary to any insurance effected by or on behalf of Council and shall contain a cross liability clause which shall treat each of the insured parties as if a separate policy had been issued to each of them;
4. Public liability insurance for an amount of not less than \$20 million for any one accident or occurrence in the name of Council and the Contractor.
5. Third party property damage insurance of not less than \$20 million in respect of any motor vehicles, plant or equipment used in the performance of the contracted services.
6. If the Contractor or any Sub-Contractor employs any person or persons to perform the services or any part thereof, documentation certifying current workers compensation insurance, public liability insurance and third party property damage insurance to the specifications and criteria required by the contractor must be provided to Council before commencement of services.
7. If the Contractor or any Sub-Contractor employs any person or persons to perform the services or any part thereof, awareness and compliance of Council occupational safety and health guidelines and policy must be provided and acknowledged.
8. Any other insurance which is required by the laws of the Commonwealth of Australia and State of Western Australia and as amended by these guidelines following its review.
9. The implementation and maintaining of all insurances as required under these guidelines shall in no way limit the obligations or responsibilities of the Contractor under these guidelines.

10. The Contractor shall provide Council, prior to the commencement date, certificates of currency for all insurances that provides evidence of validity and currency of the insurance policies.

3.1 Termination

Council may terminate its agreement with the Contractor immediately upon written notice to the Contractor if the Contractor fails to work with due diligence or expedition or makes default in the performance of or observance of any covenant, condition or stipulation contained in these guidelines and the agreement made with the Contractor or refuses or neglects to carry out any instruction which Council is empowered to give or make under these guidelines.

Council may terminate its agreement with the Contractor immediately upon written notice to the Contractor if the Contractor enters bankruptcy or enters into liquidation, a Deed of Assignment, Deed of Arrangement or similar style process with creditors or commences to carry on business under a Receiver for the benefit of its creditors or any other party.

4. Legislative and Strategic Context

The *Occupational Safety and Health Act 1984* and the associated subsidiary legalisation provide the broad framework within which this policy operates.

5. Review

This policy is to be reviewed annually.

6. Associated Documents

Nil.

Division	Corporate & Governance				
Policy Number	CGP015				
Contact Officer	Senior Finance Officer				
Related Legislation	Occupational Safety and Health Act 1984 Occupational Safety and Health Regulations 1996				
Related Shire Documents	CGMP010 – Contractor Induction CG16 – Contractor Induction Certification				
Risk Rating	High	Review Frequency	Annually	Next Review	May 2022
Date Adopted	22/06/2004				OCM04/083

Amendments		
Date	Details of Amendment	Reference
23/10/2012	Updated as part of major review.	OCM12/10/123
23/10/2015	Updated as part of major review.	OCM15/12/164
18/12/2018	Updated as part of major review.	OCM18/12/126
22/06/2021	Updated as part of major review and reformatted.	OCM21/06/071
Previous Policies		

CORP039 – Contractors Risk and Insurance
5.12 – Contractors Risk and Insurance