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Request for Proposals – Don't Forget Insurance

When a public agency is looking to purchase services that are not subject to public bidding requirements under the California Public Contracts Code (PCC), it will typically complete a Request for Proposal (RFP). An RFP is used to invite proposals from companies for specified services. The selection criteria contained within the RFP are often not limited to cost. As such, an RFP is also a way for an entity to make an objective, informed, and confident procurement decision not based solely on price.



Typically, most public agencies have adopted policies and procedures that dictate bidding regulations and standard requirements for an RFP. This is done to ensure the most efficient procurement method for obtaining the best price and service. Aside from these standards, a public agency also needs to ensure that an RFP is reasonably straightforward. This allows a proposer to easily understand the public agency's expectations and the project's scope. Including these details should also help to ensure that the public agency receives qualified responses.

While standard forms and protocols are beneficial in most circumstances, it is essential that a public agency review all elements of their standardized documentation to ensure that any unique considerations can be addressed. One factor that can be overlooked in an RFP is the contract indemnity and insurance specifications that a proposer will be required to obtain should they be awarded the contract. A public agency should fully disclose and communicate its expectations for insurance requirements. This serves to help eliminate any questions that the proposer might have

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about the nature of the required insurance after an award is made. Additionally, requiring proposers to include a copy of their certificate of insurance (COI) as part of their response to the RFP will help verify proper coverage.

Another way to clearly communicate specific contract expectations is to provide a sample copy of the public agency's terms and conditions, which the proposer would have to adhere to should they be selected. Providing these additional details in the RFP can also offer the proposer the opportunity to obtain quotes for insurance services should the proposer not have the applicable coverages at the time the RFP is issued.

The more clearly information is outlined in the RFP, the more likely the public agency will receive responsive and responsible proposals complying with the public agency's bid requirements. Furthermore, when a public agency communicates the required insurance coverages in the RFP, it reduces the likelihood of frustration and delayed contracts, knowing that the proposer has understood and can comply with the stated requirements. For any additional questions regarding this topic or related regulatory requirements, contact the [PRISM Risk Control Department](#).

