

UDOT Project Insurance Basics

Here are some basic rules for determining the type of Insurance coverage to use when designing a UDOT project and what provisions are needed for assembly of the Contract Special Provisions book.

Here are some things to consider when selecting the 'Type' of coverage to use.

Insurance Program # 1:

Contractor Supplied

- Type of insurance used on projects with an estimated construction cost of less than \$75,000,000.00.
- Traditional method where Contractor provides insurance based on required coverage limits listed in current version of 00820 Standard Specification.
- Coverage and limits can be modified by UDOT's Risk Mgmt. Group through the required Risk Assessment process.

Advertising Requirements:

Copy of Risk Assessment

- Modify Standard coverage and limits if modified by Risk Mgmt through Risk Assessment Checklist and email recommendation from the Risk Program Manager.

Insurance Program #2: OCIP only

- Projects with an engineers estimate value equal or greater than \$75,000,000.00
 - Can be used on smaller projects when Risk Assessment identifies higher potential for Departmental Risk.

Advertising Requirements:

Copy of Risk Assessment

OCIP General Conditions in project book

Project insurance

Projects with a contract value less than \$75 million are not eligible for OCIP. Since occasionally the low bid is significantly below the Engineer's estimate, only contracts with an Engineer's estimate equal or greater than \$75 million dollars shall include the requirement for OCIP for advertising, by adding Detail 200-OCIP to the Engineers Estimate in PDBS as described in the attached instructions. Contact Stacy Frandsen, 801-965-4344, or email; sfrandsen@utah.gov if you have any questions.

The contractor no longer has the option to use OCIP. On projects where the Engineer's Estimate is \$75 million or greater, OCIP is REQUIRED and the contractor will enter a value equal to approximately 2% of the Contractor's total bid throughout the cost of their bid items. This will not be a pay item and will not be considered as part of the project budget for comparison against the commission approved funding. Contingency in the project budget will not be required for this item. The assumption is that if a contractor is required to enroll in OCIP based on the cost of the Engineer's Estimate at \$75 million or greater, the overall costs of the project will be less than it would have been if the contractor provided his own insurance. This reduction in the bid can be used to fund the OCIP.

PDBS Instruction if OCIP Insurance is Required

1. Select 200- OCIP Detail. You can enter Insurance Program #2 as the Description.
2. Enter Item from lookup table.
3. Enter in Unit Price of 3% of Engineer's Estimate.
(For example \$75 million = \$2,250,000.00). This is to ensure UDOT has estimated the UDOT cost of OCIP into the project.
It will **not** be a Contractor bid item.

OCIP Set Up on Engineer's Estimate

Engineer's Estimate
Version 1: All Editing Rights
Estimate Setup

Select Project

Detail	Description	DBE Goal	Alt Bid Grp #	Alt Bid #	Funding	Total
200 - OCIP	Insurance Program #2		0	0		\$2,250,000.00
						\$2,250,000.00

Item #	Description	DBE Work Type	Qty	UOM	Lump Qty	Lump Uom	Unit Price	Extended Price
00820000*	OCIP		1	Lump		Lump	\$2,250,000.00	\$2,250,000.00

Line/Sheet	From Station	From Offset	To Station	To Offset	Qty	Comment	Info Only

Use Quantity:
Stationing Notes

ENGINEER'S ESTIMATE REPORT

Engineer's Estimate Report

Select Project

Engineer's Estimate Report | Engineer's Estimate Funding

Engineer's Estimate
Utah Department of Transportation

Project Number: TEST	Road Length: mi	
Name of Project: UTAH	Pavement Surface Width: ft	
Version #: 1	Route:	
County:	Ref Post Begin: 000+000.000	
Region:	Ref Post End: 000+000.000	
Unit of Measure: CSI - INCH/POUND	Contract Method: Design Build	Designed By: AARON WALL
Concept: TEST	Checked By:	
	Bid Open Date:	

Engineer's Estimates are UDOT CONFIDENTIAL until the project is awarded and should be kept within the limits of the project team until such time.

Non-Bid Items						
Detail	Description					
200 - OCIP						
Alt Group	Alt #					
0	0					
Number	Item Number	Description	Quantity	Unit	Unit Price	Amount
1	00820000*	OCIP(Est. Lump Qty: 1 Lump)	1	Lump	\$2,250,000.00	\$2,250,000.00
						Subtotal: \$2,250,000.00

Notice – The item is set up as a NON-Bid Item automatically when the 200- OCIP Detail is used. Therefore OCIP is set up strictly for the UDOT estimating cost of OCIP on the project.

The UDOT OCIP General Conditions can be found on our website; www.udot.utah.gov/main/uconowner.gf?n=5276618366811508 or via a link on the Standards Webpage 2012 Special Standards references at; <http://www.udot.utah.gov/go/2012standards>

Additional coverage identified through a Risk Assessment (such as Railroad Protective) would need to be added to the required coverage(s) under Insurance Program #1, in an 00820M Special Provision but would not be entered within the Engineer's Estimate because it is not UDOT supplied but Contractor supplied.