KNOWLEDGE IS POWER

The four sages
Who on the following pages
Will show the purchasing and insurance requirements
That will prevent early or forced retirements
ROBERT S. (BOB) HOFFMANN

Bob is the Township Administrator for the Township of Chatham in Morris County. Bob is QPA with over thirty (30) years of purchasing experience in both the municipal and private sector. He has taught Public Purchasing Seminars for Rutgers over the past 19 years as time permits. Bob is a past President of the New Jersey Municipal Management Association (the NJMMA) and has served on several State wide Task Forces including Pension Reform and Sustainability.

Bob has a BA from Fordham University. He also has an MBA in Finance from Pace University. Bob was an Officer in the United States Naval Reserve assigned to the Supply Corps. During Operation Desert Storm and Desert Shield he was assigned to the Defense Logistics Agency.

He has provided consulting expertise to municipalities in Alaska, Colorado, Florida, Massachusetts, Utah and Texas.

This summer weather permitting Bob will ride the 364 mile long Erie Canal bike path from the Hudson River to Lake Erie.
WEBSTERS DICTIONARY

• in-sur-ance
   [in ˈsərəns]
   NOUN
   insurances (plural noun)
   1. a practice or arrangement by which a company or government agency provides a guarantee
      of compensation for specified loss, damage, illness, or death in return for payment of a premium.
      "many new borrowers take out insurance against unemployment or sickness"
      synonyms: assurance · indemnity · indemnification · (financial) protection · security ·
      [more]
   2. a thing providing protection against a possible eventuality.
      "adherence to high personal standards of conduct is excellent insurance against personal problems"
      [more]
      synonyms: protection · defense · safeguard · safety measure · shelter · security ·

DO YOUR INSURANCE SPECS

L👀k Like

They Were written for . . .
THIS???

OR...

THIS!!!
Risk is the potential of gaining or losing something of value. Values (such as physical health, social status, emotional well-being or financial wealth) can be gained or lost when taking risk resulting from a given action or inaction, foreseen or unforeseen. Risk can also be defined as the intentional interaction with uncertainty.

1. **risk assessment**
   [risk assessment]
   NOUN
   **risk assessments** (plural noun)
   a systematic process of evaluating the potential risks that may be involved in a projected activity or undertaking.

All insurance specifications . . .

*are not*

created equal

Different Exposures require different insurance coverages. **One size does not fit all.** Insurance Specifications for a Project involving underground utility piping replacement is different from the specifications for a professional services contract with the Municipal Attorney, or for that matter, the Risk Management Consultant.
Requirements for Types of Contracts

What is our Risk Exposure?

a. Construction
b. Solid Waste/Recycling
c. Special Events (Fireworks, Parades, Amusement Rides)
d. What else could there be???

The following slides provide examples of Insurance Specifications for various exposures.

Risk Exposure Basis Analysis
Identify Special/Unique Exposure(s) to the Project/Contract

Construction Project
The Big Three - “Standard” Coverages -
Builders Risk – Protect

“Risk comes from not knowing what you’re doing.”
– Warren Buffet
Risk Exposure Basis Analysis
Identify Special/Unique Exposure(s) to the Project/Contract

WHAT INSURANCE COVERAGE SHOULDN'T BE REQUIRED?

“The Big Three” - Standard Coverages
* Workers Compensation
* General Liability
* Automobile Liability

Should there be...
Excess Liability (Umbrella)? What limits?
Property Coverage

Certificate Of Insurance (COI) Should
Evidence the Coverages Required
Name the Municipality as an Additional Insured
The Contract/Agreement should also include a
Hold Harmless
What Insurance Coverages should be included, based upon your

Risk Exposure Analysis

Of the following ...
SUMMER EVENTS AT THE POOL

- June 23 – Live Music
- June 30 – Family Float Day
- July 4 – Treasure Hunt and Fireworks
- July 19 – Tween Night
- July 21 – Battle of the Bands
- July 26 – Movie Night
- August 4 – Live Music
- September 1 – Live Music
- 3 Food Truck Nights

What’s covered? Who covers it? Who makes sure it’s covered?
MUNICIPAL PROFESSIONALS
Resources for Risk Basis Analysis & Insurance Specs/Limit …

• Municipal Attorney
• Risk Management Consultant
• Municipal Auditor
• Municipal Engineer

QUESTIONS