
**BUCKMAN DIRECT DIVERSION BOARD
GENERAL SERVICES CONTRACT
FOR INSURANCE BROKER SERVICES**

This GENERAL SERVICES CONTRACT (“Contract”) is made and entered into by and between the Buckman Direct Diversion Board (“BDDDB”) and Arthur J. Gallagher Risk Management Services, LLC (“Contractor”) to provide Insurance Broker/Agent services to, and to procure insurance for, the BDDDB. The Contract shall be effective as of the date this Contract is executed by the BDDDB Chair.

1. SCOPE OF SERVICES

The services subject to this Contract are set forth in the Scope of Services attached hereto as Exhibit A.

2. STANDARDS OF PERFORMANCE; LICENSES

A. Contractor represents that it possesses the experience and knowledge necessary to perform the services described in this Contract.

B. Contractor agrees to obtain and maintain throughout the term of this Contract all applicable professional and business licenses required by law for itself and its employees, agents, representatives and subcontractors.

3. COMPENSATION

A. The BDDDB shall pay to Contractor in full payment for brokerage services including applicable New Mexico gross receipts taxes, the sum of Fifteen Thousand Dollars (\$15,000.00) no sooner than July 2026.

B. The BDDDB shall also pay to Contractor a sum up to Three Hundred Thousand Dollars (\$300,000.00) for insurance premiums for the insurance coverage required by this Contract.

C. Contractor shall be responsible for payment of gross receipts taxes levied by the State of New Mexico on the sums payable under this Agreement.

D. Contractor shall submit invoices to the BDDDB.

4. APPROPRIATIONS

The terms of this Contract are contingent upon sufficient appropriations to and authorization from the BDDDB for the performance of this Contract. If sufficient appropriations are not made or authorization provided, this Contract shall terminate upon written notice from the BDDDB to

Contractor. The BDDDB shall be responsible for charges incurred up to the date of notification under this Article per Article VI. "Termination" of this Contract. The BDDDB's decision as to whether sufficient appropriations are available shall be accepted by Contractor and shall be final.

5. TERM AND EFFECTIVE DATE

A. This Contract shall be effective when signed by the BDDDB and terminate on June 30, 2030, unless it is terminated sooner pursuant to Article VI. "Termination," below.

B. Pursuant to the limitations on multi-term contracts for services codified in Section 13-1-150 NMSA 1978, this Contract may not exceed four (4) years, including all extensions and renewals. Subject to that limitation, the Contract can be renewed annually, if agreed upon by the BDDDB and Contractor.

6. TERMINATION

The BDDDB may terminate this Contract at any time and for any reason by giving ten (10) days written notice to Contractor. If the BDDDB terminates this Contract:

A. Contractor shall render a final report of the services performed up to the date of termination and shall turn over to the BDDDB original copies of all work product, research, or papers prepared for the services covered by this Contract. The BDDDB shall pay Contractor for services rendered and expenses incurred under this Section, including for preparation of the final report.

B. If compensation is not based upon hourly rates for services rendered, the BDDDB shall pay Contractor for the reasonable value of services satisfactorily performed through the date Contractor receives notice of such termination for which compensation has not already been paid.

C. If compensation is based upon hourly rates and expenses, Contractor shall be paid for services rendered and expenses incurred through the date Contractor receives notice of such termination.

7. DEFAULT

A. The BDDDB reserves the right to cancel all or any part of this Contract without cost to the BDDDB if Contractor defaults in the performance of this Contract, and except as otherwise provided herein, to hold Contractor liable for any cost or damage incurred by the BDDDB due to Contractor's default.

B. Neither party shall be liable to the other for consequential damages, including loss of use or lost profits.

8. FORCE MAJEURE

A. No party shall have any liability to the other hereunder by reason of any delay or failure to perform any obligation under this Contract if the delay or failure to perform is as a result of force majeure. Event of force majeure means:

1. Acts of God or a public enemy;
2. Acts or omissions of any government entity;
3. Fire, flood or other casualty for which a party is not responsible;
4. Pandemic, epidemic or quarantine restriction;
5. Unanticipated work stoppage or freight embargo;
6. Strike, lockout, labor dispute, or civil disturbance; and
7. Unusually severe weather conditions.

B. Where there is an event of force majeure, the party prevented from or delayed in performing its obligations under this Contract must immediately notify the other party giving full particulars of the event of force majeure and the reasons for the event of force majeure preventing that party from or delaying that party in performing its obligations under this Contract. The party must use its reasonable efforts to mitigate the effect of the event of force majeure upon its performance of the Contract and to fulfill its obligations under this Contract.

9. STATUS OF CONTRACTOR; RESPONSIBILITY FOR PAYMENT OF EMPLOYEES AND SUBCONTRACTORS

I. Contractor, its agents, and its employees are independent contractors performing professional services for the BDDDB and are not employees of the BDDDB.

II. Contractor, its agents, and its employees shall not accrue leave, retirement, insurance, bonding, or any other benefits afforded to employees of the BDDDB and shall not be permitted to use BDDDB vehicles in the performance of this Contract.

III. Contractor shall be solely responsible for payment of wages, salaries, and benefits to any and all employees or subcontractors Contractor retains to perform any of its obligations pursuant to this Contract.

10. CONFIDENTIALITY

Any confidential information provided to or developed by Contractor in the performance of this Contract shall be kept confidential and shall not be made available to any individual or organization by Contractor without the BDDDB's prior written approval.

11. CONFLICT OF INTEREST

Contractor warrants that it presently has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with its performance of its obligations pursuant to this Contract. Contractor further agrees that it shall not employ or contract with anyone in the performance of this Contract that has any such conflict of interest.

12. ASSIGNMENT; SUBCONTRACTING

Contractor shall not assign or transfer any rights, privileges, obligations or other interests under this Contract, including any claims for money due, without the BDDB's prior written consent. Contractor shall not subcontract any portion of the services to be performed under this Contract without the BDDB's prior written approval.

13. RELEASE

Contractor, upon acceptance of final payment of the amount due under this Contract, releases the BDDB, its officers, and its employees from all liabilities, claims, and obligations whatsoever arising from or under this Contract. Contractor agrees not to purport to bind the BDDB to any obligation not assumed herein by the BDDB unless Contractor has express written authority to do so, and then only within the strict limits of that authority.

14. INSURANCE

A. **Workers' Compensation.** Contractor agrees to comply with state laws and rules applicable to workers' compensation benefits for its employees. If Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, this Contract may be terminated by the BDDB.

B. **Professional Liability Insurance.** Contractor shall maintain professional liability insurance throughout the term of this Contract providing a minimum coverage in the amount required under the New Mexico Tort Claims Act. Contractor shall furnish the BDDB with proof of insurance of Contractor's compliance with the provisions of this section as a condition prior to performing services under this Contract.

C. **Other Insurance.** If the services contemplated under this Contract will be performed on or in BDDB facilities or property, Contractor shall maintain in force during the entire term of this Contract, the following insurance coverage(s), naming the BDDB as additional insured.

(1) **Commercial General Liability** insurance shall be written on an occurrence basis and be a broad as ISO Form CG 00 01 with limits not less than \$2,000,000 per occurrence and \$2,000,000 in the aggregate for claims against bodily injury, personal and

advertising injury, and property damage. Said policy shall include broad form Contractual Liability coverage and be endorsed to name the BDDDB the City of Santa Fe, their officials, officers, employees, and agents as additional insureds.

(2) Broader Coverage and Limits. The insurance requirements under this Contract shall be the greater of (1) the minimum coverage and limits specified in this Contract, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the Named Insured. It is agreed that these insurance requirements shall not in any way act to reduce coverage that is broader or that includes higher limits than the minimums required herein. No representation is made that the minimum insurance requirements of this Contract are sufficient to cover the obligations of Contractor hereunder.

(3) Contractor shall maintain the above insurance for the term of this Contract and name the BDDDB as an additional insured and provide for 30 days cancellation notice on any Certificate of Insurance form furnished by Contractor. Such certificate shall also specifically state the coverage provided under the policy is primary over any other valid and collectible insurance and provide a waiver of subrogation.

15. INDEMNIFICATION

Contractor shall indemnify, hold harmless and defend the BDDDB, the City of Santa Fe, Santa Fe County, Las Campanas Club and Las Campanas Water and Sewer Cooperative from all losses, damages, claims or judgments, including payment of all attorneys' fees and costs on account of any suit, judgment, execution, claim, action, or demand whatsoever to the extent arising from the negligent acts, errors, or omissions, or willful and reckless disregard of obligations under this Contract, in the performance of any services covered by this Contract, whether occurring on BDDDB managed or owned property or otherwise, by Contractor or its employees, agents, representatives, or subcontractors, excepting only such liability that arises out of the BDDDB's negligence.

16. NEW MEXICO TORT CLAIMS ACT

Any liability incurred by the Agency in connection with this Contract is subject to the immunities and limitations set forth in the New Mexico Tort Claims Act, Sections 41-4-1 to 41-4-27 NMSA 1978. The BDDDB and its employees do not waive sovereign immunity, any available defense, or any limitation of liability recognized by law. No provision in this Contract modifies or waives any provision of the New Mexico Tort Claims Act.

17. THIRD-PARTY BENEFICIARIES

By entering into this Contract, the parties do not intend to create any right, title, or interest in, or for the benefit of, any person other than the BDDDB and Contractor. No person shall claim any right, title or interest under this Contract or seek to enforce this Contract as a third-party beneficiary.

18. RECORDS AND AUDIT

Contractor shall maintain throughout the term of this Contract and for a period of three years thereafter detailed records that indicate the date, time, and nature of services rendered. These records shall be subject to inspection by the BDDDB, the City of Santa Fe Finance Department, and the State Auditor. The BDDDB shall have the right to audit the billing both before and after payment. Payment under this Contract shall not foreclose the right of the BDDDB to recover excessive or illegal payments.

19. APPLICABLE LAW; CHOICE OF LAW; VENUE

A. Contractor shall abide by all applicable federal and state laws and regulations, and ordinances, and all rules and regulations of the BDDDB.

B. Contractor shall comply with the requirements of the City of Santa Fe Living Wage Ordinance (Section 28-1 SFCC 1987) and Santa Fe County Living Wage Ordinance Nos. 2014-1 and 2014-5.

C. In any action, suit, or legal dispute arising from this Contract, Contractor agrees that the laws of the State of New Mexico shall govern. Any action or suit arising from this Contract shall be brought in the First Judicial District Court.

20. AMENDMENT

This Contract shall not be altered, changed, or modified except by an amendment in writing executed by the parties.

21. SCOPE OF AGREEMENT

This Contract expresses the entire agreement and understanding between the parties with respect to the services set forth in the Scope of Services. No prior agreement or understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Contract.

22. EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

During the term of this Contract, Contractor agrees to abide by all federal, state, and local laws, ordinances, and rules and regulations pertaining to equal employment opportunity and unlawful discrimination. Without in any way limiting the foregoing general obligation, Contractor specifically agrees not to discriminate against any person with regard to employment with the Contractor or participation in any program or activity offered pursuant to this Contract on the grounds of race, age, religion, color, national origin, ancestry, sex, physical or mental handicap, serious medical condition, spousal affiliation, sexual orientation, or gender identity.

23. SEVERABILITY

If one or more of the provisions of this Contract or any application thereof is found to be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions of the Contract and any other application thereof shall not in any way be affected or impaired.

24. NOTICES

A. Any notices required to be given under this Contract shall be in writing and served by personal delivery or by mail, postage prepaid, to the parties at the following addresses:

BDDDB: Bradly Prada
BDD Facilities Manager
Buckman Direct Diversion Board
341 Caja del Rio
Santa Fe, NM 87506
Email: bxprada@santafenm.gov

CONTRACTOR: Maria King
Branch President
Arthur J. Gallagher Risk Management Services, LLC
2050 Main St. Suite 1250
Irvine, CA 92614
Email: maria_king@ajg.com

B. Any such notice sent by registered or certified mail, return receipt, shall be deemed to have been duly given and received seventy-two (72) hours after the same is so addressed and mailed with postage prepaid. Notice sent by recognized overnight delivery service shall be effective only upon actual receipt thereof at the office of the addressee set forth above, and any such notice delivered at a time outside of normal business hours shall be deemed effective at the opening of business on the next business day. Notice sent by email shall be effective only upon actual receipt of the original unless written confirmation is sent by the recipient of the facsimile stating that the notice has been received, in which case the notice shall be deemed effective as of the date specified in the confirmation. Any party may change its address for purposes of this paragraph by giving notice to the other party as herein provided. Delivery of any copies as provided herein shall not constitute delivery of notice hereunder.

25. COMPLIANCE WITH LAWS AND REGULATIONS; PROHIBITION OF BRIBES, GRATUITIES, AND KICKBACKS

Contractor shall comply with all applicable federal, state, and local laws and regulations throughout the term of this Contract. Contractor expressly acknowledges that the New Mexico Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978, imposes civil and criminal penalties for its violation, and New Mexico criminal statutes impose penalties for bribes, gratuities, and kickbacks.

IN WITNESS WHEREOF, the parties have executed this Contract on the date set forth below.

BUCKMAN DIRECT DIVERSION BOARD

JAIME A. CASSUTT
BDDDB CHAIR

DATE SIGNED

APPROVED AS TO FORM:

SIGNATURE

Nancy R. Long

FULL NAME

Agency Attorney

TITLE

DATE SIGNED

APPROVED FOR FINANCES

SIGNATURE

FULL NAME

TITLE

DATE SIGNED

**ARTHUR J. GALLAGHER RISK
MANAGEMENT SERVICES, LLC:**

Maria King

MARIA KING
BRANCH PRESIDENT

05/28/2026
DATE SIGNED

Exhibit A

In accordance with the requirements for insurance in Section 23 of the JPA, the BBDB is procuring Broker Services for professional liability, property insurance, general liability, fire and extended insurance coverage.

The Contractor shall provide comprehensive brokerage, advisory, and risk management services to the BDDDB. The Contractor will act as the BDDDB's representative in the insurance marketplace, responsible for designing, marketing, and procuring a complete insurance program that adequately protects BDDDB's assets, staff, and operations. The Contractor will be expected to solicit and evaluate competitive proposals from qualified insurers, negotiate renewals and placements, and ensure that the BDDDB receives the best possible coverage, terms, pricing and will have the following service responsibilities:

1. Insurance Brokerage Services

A. It is expected that the Contractor will procure property and casualty coverage for the BDDDB to be effective July 1, 2026, and each subsequent renewal, consisting of:

- Property Coverage
- Inland Marine Coverage
- Machinery & Equipment Breakdown Coverage
- Computer Coverage/Cyber
- Commercial Automobile Coverage
- General Liability Coverage
- Public Officials Errors & Omissions Liability Coverage
- Public Officials Bond Coverage
- Crime Coverage
- Umbrella/Excess Liability Coverage
- Liability Insurance
- Fire
- Extended Coverage
- Environmental
- Worker's compensation
- Automobile
- Any other specialized insurance needs that may arise
- Offer employee training or guidance on insurance-related matters, if requested.

B. The work to be performed on an annual basis shall be as follows: (The services listed below contemplate the Contractor will be responsible for all costs)

1. Review and assess BDDDB's current insurance program, operations, exposures, and assets.
2. Design a comprehensive insurance package tailored to the unique risks of the BDD Project.

3. Provide consulting services to the BDDDB upon request.
4. Gather underwriting Data.
5. Obtain loss information.
6. Analyze loss experience and provide the BDDDB with a proposed self-insured retention or deductible.
7. Prepare underwriting submission that not only includes typical underwriting data but includes coverage specifications for each carrier to provide quotations.
8. Market insurance program to all interested & qualified carriers.
9. Once received, analyze coverage forms, retentions, limits, premium terms, etc., for each program, summarize data & make recommendations most advantageous to the BDDDB.
10. Discuss and meet with underwriters, and the BDDDB risk management staff and or the City.
11. Present final program to the BDDDB. Contractor will select insurance companies with sound financial ratings which shall not be rated lower than A-VII by Best's Rating Guide and Standard & Poor's Insurance Ratings; Public entity insurance pools are accepted from the A-VII minimum rating.
12. Once approved, bind coverage with selected carriers.
13. Issue certificates of insurance.
14. Attend meetings of the Board or other entities when insurance matters are discussed.
15. Issue and maintain a summary of insurance to the BDDDB.
16. When policies are received, Contractor will audit each policy form for compliance with proposals and specifications, and if necessary, order endorsements for correction.
17. As requested, be available to prepare a written and/or oral summary of coverages, program description, loss history, etc.
18. Answer the BDDDB's auditor's request for year-end premium and loss information.
19. Answer the BDDDB's request to breakdown rates by line of coverage for budget purposes.
20. Obtain ad hoc reports for members relative to loss history, in total or by a particular coverage line.
21. Assist in annual BDDDB-wide budget packet development that contains each projected renewal premium.
22. Place individual bonds, as needed (such as notary bonds, maintenance bonds, permit bonds, etc.).
23. Keep the BDDDB informed of insurance market conditions.
24. Documentation of compliance with JPA requirements.

2. RISK CONTROL SERVICES

1. Answer coverage, claims and loss prevention questions. Many questions are required to be answered in writing.
2. Provide advice and recommend any risk mitigation strategies.
3. Review & be familiar with the BDDDB's Joint Powers Agreement, project Management and Fiscal Services Agreement, Facilities Operation and Financial Services Agreement and other documents affecting the risk and liability of the BDDDB.

4. Suggest the availability of and initiation of coverage for special situations and special risks and exposure.
5. Assist the BDDB and its consultants in the construction and interpretation of insurance and indemnity agreements.
6. Monitor reserves, rates, claim trends, loss control efforts, claim service and cash flow.
7. When requested, assist in developing risk related material for BDDB meetings.
8. Review current insurance/self-insurance structure and assist in evaluating benefits, costs and risk of alternative programs and recommend alternative risk financing methods.
9. When requested, assist in formulation or amendment of the BDDB rules or regulations.
10. Respond to questions from the BDDB's contracted legal advisors.
11. Attend meetings as reasonable or necessary or requested.

3. **CLAIMS ADVOCACY SERVICES**

If requested, Contractor shall provide claims advocacy services for BDDB with the involved insurer.