

Research Administration Library
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University of California
Office of the President

Senior Vice President—
Research and Finance

Research Administration Office

Memo

Operating Guidance

No. 99-02
April 29, 1999

CONTRACT AND GRANT OFFICERS (CAMPUS AND LAB)* VICE CHANCELLORS--ADMINISTRATION

Subject: Delegation of Authority—Approval of Waiver of Subrogation Rights, National Aeronautic and Space Administration

The National Aeronautic and Space Administration has added the Waiver of Subrogation of Rights Clause Number 1852.228-75(d) in all their awards (Enclosure 1). Under Standing Order 100.4(dd)(9), each award to the University would separately require Regental approval since the Waiver of Subrogation Rights Clause may result in the assumption of third party liability by the University, action which is restricted to The Regents.

On July 17, 1998, The Regents approved an item granting the President blanket authorization to solicit and accept or execute any grants or contracts containing the NASA Waiver of Subrogation Rights Clause. This authority was further delegated to all Chancellors and Senior Vice President Kennedy on February 24, 1999 (Enclosure 2), and to Laboratory Directors on March 4, 1999 (Enclosure 3). Consequently, the NASA Waiver of Subrogation Rights Clause no longer requires Regental approval, and can be signed by individual campuses provided no more than \$5,000,000 per year in direct costs are requested.

Campuses are required to attempt to reduce the University's liability by negotiating appropriate contractual relationships asking subcontractors to (1) indemnify The Regents and the United States government against such liability, and (2) name The Regents and the United States government as additional insureds on their insurance policies.

These delegations can be further delegated to campus Contract and Grant Officers.

Refer: Lourdes G. DeMattos
(510) 987-9850
lourdes.demattos@ucop.edu

Subject Index: 02, 21
Organization Index: G-070



David Mears
Director
Research Administration Office

Enclosures

cc: Campus Risk Managers

*Note: The addressees above represent the standard distribution of Contract and Grant Memos. Additional addressees, if

ENCLOSURE 1

Clause in question

1852.228-75 Minimum Insurance Coverage.

As prescribed in 1828.372, insert the following clause:

MINIMUM INSURANCE COVERAGE

(OCTOBER 1988)

The Contractor shall obtain and maintain insurance coverage as follows for the performance of this contract:

(a) Worker's compensation and employer's liability insurance as required by applicable Federal and state workers' compensation and occupational disease statutes. If occupational diseases are not

compensable under those statutes, they shall be covered under the employer's liability section of the insurance policy, except when contract operations are so commingled with the Contractor's commercial operations that it would not be practical. The employer's liability coverage shall be at least \$100,000, except in States with exclusive or monopolistic funds that do not permit workers' compensation to be written by private carriers.

(b) Comprehensive general (bodily injury) liability insurance of at least \$500,000 per occurrence.

(c) Motor vehicle liability insurance written on the comprehensive form of policy which provides for bodily injury and property damage liability covering the operation of all motor vehicles used in connection with performing the contract. Policies covering motor vehicles operated in the

United States shall provide coverage of at least \$200,000 per person and \$500,000 per occurrence for bodily injury liability and \$20,000 per occurrence for property damage. The amount of liability coverage on other policies shall be commensurate with any legal requirements of the locality and sufficient to meet normal and customary claims.

(d) Comprehensive general and motor vehicle liability policies shall contain a provision worded as follows:

"The insurance company waives any right of subrogation against the United States of America which may arise by reason of any payment under the policy."

(e) When aircraft are used in connection with performing the contract, aircraft public and passenger liability insurance of at least \$200,000 per person and \$500,000 per occurrence for bodily injury, other than passenger liability, and \$200,000 per occurrence for property damage. Coverage for passenger liability bodily injury shall be at least \$200,000 multiplied by the number of seats or passengers, whichever is greater.

(End of clause)

ENCLOSURE 2

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February 24, 1999

CHANCELLORS

SENIOR VICE PRESIDENT--BUSINESS AND FINANCE

Delegation of Authority--Approval of Waiver of Subrogation Rights, National Aeronautic and Space Administration

At the meeting on July 17, 1998, The Regents granted the President blanket authority to execute a National Aeronautic and Space Administration (NASA) clause which requires assumption by the University of third-party liability, action which is restricted to The Regents under Standing Order 100.4(dd)(9).

Effective immediately, you are authorized to solicit and accept or execute any grants or contracts containing the NASA Waiver of Subrogation Rights (Clause Number 1852.228-75(d)), subject to the terms of the July 17, 1998 Regental authorization, a copy of which is attached.

Campuses must attempt to reduce the University's potential risk for subcontractors' liability by negotiating appropriate contractual relationships and asking the subcontractors to (1) indemnify The Regents and the United States government against such liability, and (2) name The Regents and the United States government as additional insureds on their insurance policies.

Any redelegation of this authority shall be in writing, with copies to the Senior Vice President--Business and Finance, the Special Assistant--Coordination & Review, the General Counsel and Vice President for Legal Affairs, and the Secretary of The Regents.

Richard C. Atkinson
President

Attachment

cc: Members, President's Cabinet
Executive Director Feuerborn
Special Assistant Gardner
Principal Officers of The Regents

ENCLOSURE 3**DA 2108****UNIVERSITY OF CALIFORNIA**

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March 4, 1999

LABORATORY DIRECTORS**Delegation of Authority--Approval of Waiver of Subrogation Rights, National Aeronautic and Space Administration**

At the meeting on July 17, 1998, The Regents granted the President blanket authority to execute a National Aeronautic and Space Administration (NASA) clause which requires assumption by the University of third-party liability, action which is restricted to The Regents under Standing Order 100.4(dd)(9).

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Richard C. Atkinson
President

Attachment

cc: Members, President's Cabinet
Executive Director Feuerborn
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Principal Officers of The Regents