

<b>BD 6.9</b>	<b>RECOVERY OF DAMAGES RELATED TO CONSULTANT ERRORS &amp; OMISSIONS POLICY</b>	Resolution Number	09-167
		Resolution Date	06/17/09
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<b>PURPOSE</b>	This policy sets forth the NTTA's customary practice regarding recovery of increased costs incurred by the NTTA as a result of errors or omissions by consultants under contracts with the NTTA.
<b>POLICY STATEMENT</b>	The NTTA generally shall seek recovery from a consultant for the consultant's errors and omissions that result in greater than minimal premium costs to the NTTA.
<b>RESPONSIBILITIES</b>	<p>A decision to seek recovery in a particular instance shall be guided by the anticipated recovery amount, the likelihood of a successful recovery effort, foreseeable administrative costs, the expense of litigation, and the consultant's performance history, and other factors the Executive Director determines to be relevant.</p> <p>This policy will be implemented by the Executive Director, working through the NTTA department responsible for the administration of the professional or consulting services contract under which an error or omission occurs. Each department will develop a procedure for identification of errors and omissions, estimates of premium costs, and implementation of this policy.</p>
<b>SCOPE</b>	<p>This policy pertains to professional and consulting services contracts entered into by the NTTA.</p> <p>This policy shall not limit or impair the NTTA's pursuit of recovery for a contractor's other defaults, indemnities, or other contract obligations in addition to errors and omissions.</p>
<b>DEFINITIONS</b>	"Consultant" means a firm or individual with whom the NTTA contracts professional or consulting services; the term consultant also includes any subconsultant providing such services to the NTTA as part of a prime consultant's services.

	<p>“Errors and omissions” means a failure by the consultant to perform its obligations under a contract with the NTTA in accordance with the standard of care specified in the contract, or if no such standard of care is specified, the consultant’s performance of its obligations in a manner that constitutes negligent performance under applicable law.</p> <p>“Premium costs” means costs or losses that the NTTA would not have incurred but for the consultant’s errors and omissions. Premium costs include, but are not limited to, costs or losses resulting from increased fees, increased unit prices, delays, inefficiencies, rework, or extra work that would not have been incurred but for the consultant’s failure to perform in accordance with the contract.</p>
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