



Glasgow Airport Limited

Third Party Liability: Guidance Notes

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Document Control

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1.1	Revised Issue	<i>Maureen Jamieson</i>	02/04/2013
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Purpose

The purpose of this document is to state and communicate the third party liability insurance requirements for suppliers, contractors and sub-contractors who provide services / works to Glasgow Airport Limited – including all 3rd party contractors working at Glasgow Airport.

Aim

The aim of this policy is to ensure the third party liability insurance requirements for suppliers, contractors and sub-contractors who provide services / works to Glasgow Airport Limited and all 3rd party contractors working at Glasgow Airport are clearly understood by all relevant stakeholders.

Implementation of this document will support the business in achieving its assurance commitments.

Scope

This policy applies to Glasgow Airport Limited only and outlines Glasgow Airport Limited's third party liability insurance requirements.

Implementation and Governance

Glasgow Airport's procurement department will communicate this document internally to all stakeholders.



Glasgow Airport's Head of Procurement is responsible for the maintenance, revision and communication of this document and for ensuring that effective procedures and/or tools for meeting the requirements are developed and implemented.

Responsibility for meeting the requirements is devolved to all departments where procurement, contract negotiations and contract management take place – including lease and concessionaire agreements.

Glasgow Airport Limited will apply this document in future supplier selection and on-going supplier management by evaluating supplier risk, exposure and management across the requirements identified in this policy.

For existing suppliers, with contracts awarded prior to the implementation of this document, Glasgow Airport's procurement department will endeavour to work with suppliers to enable them to meet any additional requirements during all future contract negotiations.

In the event that an existing Supplier does not meet these requirements and cannot meet these requirements Glasgow Airport's procurement department will work with the relevant stakeholders to identify a suitable alternative to the existing supplier. If an alternative supplier cannot be identified Glasgow Airport's procurement department will track and manage this risk via the Glasgow Airport Managing Responsibly System.

Operational Expenditure

Suppliers, contractors and sub-contractors*

Insurance requirements for contracted goods / services

Insurance Type	Third party liability					
Category	Airside Vehicular Driving, including War and Terrorism	Product	Services	Consultancy	Design	Catering Concessionaires
Required Value	£5m	£5m	£10m	£5m	£5m	£15m
Additional Detail	Full requirement is £50m, however 'BAA Aviation / Combined Liability' policy can provide up to an additional £45m -provided the minimum £5m requirement is met.**	Additional £5m Product Liability cover required.		Additional £2m Professional Indemnity cover required.	Additional £2m Professional Indemnity cover required.	

*Note: It is the principal contractor's responsibility to ensure that all sub-contractors meet the above requirement where applicable.

**Note: Although the BAA Aviation / Combined Liability Policy can provide up to £45m additional cover for suppliers, Suppliers with existing policies of greater than £5m are expected to utilise the full value of their policy..

Insurance requirements for low value, low risk works and services

For all low value, low risk works and services our standard purchase order terms and conditions apply.

Insurance Type	Third party liability					
Category	Airside Vehicular Driving, including War and Terrorism	Product	Services	Consultancy	Design	Catering Concessionaires
Required Value	£5m	£5m	£5m	£5m	£5m	N/A
Additional Detail	Full requirement is £50m, however 'BAA Aviation / Combined Liability' policy can provide up to an additional £45m -provided the minimum £5m requirement is met.**	Additional £5m Product Liability cover		Additional £2m Professional Indemnity cover required.	Additional £2m Professional Indemnity cover required.	



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	policy can provide up to an additional £45m -provided the minimum £5m requirement is met.	required.				
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Capital Expenditure

Suppliers, contractors and sub-contractors

Insurance Type	Third party liability				
Category	Airside Vehicular Driving, including War and Terrorism	Product	Services	Consultancy	Design
Required Value	£0*	£0*	£0*	£0*	£0*
Additional Detail	Full requirement is £50m, however BAA Construction all risk / public liability policy provides full cover, however suppliers are responsible for the excess.	£5m Product Liability cover required	Contractors All Risks/Public Liability policies in place automatically covers all contractors and sub contractors works undertaken for BAA.	Additional £2m Professional Indemnity cover required. Contractors All Risks/Public Liability policies in place automatically covers all contractors and sub contractors works undertaken for BAA.	Additional £2m Professional Indemnity cover required. Contractors All Risks/Public Liability policies in place automatically covers all contractors and sub contractors works undertaken for BAA.

* indicates that the supplier is responsible for the excess level as detailed in Appendix A

All Non-Glasgow Airport 3rd Party Expenditure

Including property lease and retail concessionaire agreement

Insurance Type	Third party liability				
Category	Airside Vehicular Driving, including War and Terrorism	Product	Services	Consultancy	Design
Required Value	£50m	£5m	£10m	£5m	£5m
Additional Detail	Full requirement is £50m, including a sub-limit of \$50m for liability for war and terrorism risks.	Additional £5m Product Liability cover required		Additional £2m Professional Indemnity cover required	Additional £2m Professional Indemnity cover required

It is the principal contractor's responsibility to ensure that all 3rd party contractors meet the above requirements where applicable and as such these should be reflected in the original contracts / agreements.

Appendix A

The supplier is responsible for insuring, either via self or a third party to cover the excess values below; whilst operating under the BAA Construction Insurance Programme:

Section I: Construction All Risks

All Claims for physical loss or damage to the Works (other than arising from defects)

£5,000 each and every loss consequent on one source or original cause
Defects Claims

Defects claims resulting in physical loss or damage to the Works arising from defective design, planning and specification, materials or workmanship

£250,000 each and every loss consequent upon one source or original cause where the claim includes the loss or damage to the defective part itself in respect of Civil Works or Engineering Works

£150,000 each and every loss consequent upon one source or original cause where the claim includes the loss or damage to the defective part itself in respect of all other works including Building Works

£25,000 each and every loss consequent upon one source or original cause where the claim excludes the loss or damage to the defective part itself.

Section II: Third Party Liability

All Claims for third party property damage

£5,000 any one occurrence or series of occurrences consequent upon one source or original cause in respect of loss or damage to property only
Please note that no Excess applies to third party injury claims

Note:

All claims made are subject to the full terms and conditions of the insurance policy.

For further information, please contact the BAA Insurance Department.



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