



RESOLUTION #20130924-19

RESOLUTION AUTHORIZING A CONSTRUCTION CONTRACT TO TEXAS NORTHEASTERN RAILROAD, A DIVISION OF THE MID-MICHIGAN RAILROAD, INC., FOR CONSTRUCTION OF THE RAIL CROSSING AT THE TAC-E HOOKS ENTRANCE (\$325,114.89)

WHEREAS, TexAmericas Center is a political subdivision of the State of Texas with the powers and authorities specified in Chapter 3503 of the Special District Local Laws Code of the State of Texas; and

WHEREAS, TexAmericas Center has a current construction project to upgrade the TAC-E Hooks Entrance which includes improvements to the rail crossing; and

WHEREAS, the Board of Directors authorized the Executive Director/CEO to execute a contract with the Texas Northeastern Railroad pursuant to Resolution #20130827-09; and

WHEREAS, the Executive Director/CEO has negotiated additional terms for the agreement including a 5 year minimum maintenance fee waiver in favor of TexAmericas Center and other terms since the Board of Directors last approved an agreement; and

WHEREAS, the draft terms of the new agreement are attached hereto.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of TexAmericas Center that the award to Texas Northeastern Railroad, a division of the Mid-Michigan Railroad Inc., for the basic contract is approved and the Executive Director/CEO shall be and he is hereby authorized to award to Texas Northeastern Railroad, a division of the Mid-Michigan Railroad Inc., for the services outlined in contract specifications indicated in Resolution #20130827019 to include appropriate modification to the previously approved agreement to address the same or similar terms as those attached hereto.

PASSED and APPROVED this 27th day of August, 2013.


Denis Washington, Chairman of the Board

ATTEST:


Mike Carter, Secretary-Treasurer

Attached: Construction Contract additional terms

AMENDED CONTRACT LANGUAGE REGARDING MAINTENANCE RESPONSIBILITIES

Commencing with the sixth year after installation of the crossing, the AGENCY shall pay unto RAILWAY annually the annual cost of maintenance of said crossing service and warning devices. The annual cost of maintenance of the crossing including the crossing service, warning devices, including signs, flashing lights, bells and gates, and all associated components is \$4,000.00 at the current time. The forgoing amount is an estimate based on the current charges and may be increased by the RAILWAY commensurate with the actual increase in cost.

ADDITIONAL PARAGRAPH REGARDING BUDGET LIMITATIONS AND REMOVAL OF CROSSING

A new section shall be added to the agreement to read as follows:

The AGENCY retains the right to terminate this contract at the expiration of each of its budget years occurring during the term of this contract. This contract is a commitment of current revenues only. If this contract is terminated by the AGENCY at the expiration of any budget year occurring during the term of this contract, the RAILWAY may, at its option, take the crossing out of service, and the cost of removing the crossing from service will be the responsibility of the AGENCY.

**TEXAS NORTHEASTERN RAILROAD,
A DIVISION OF THE MID-MICHIGAN RAILROAD, INC.
CONSTRUCTION AND MAINTENANCE AGREEMENT
CONSTRUCTION OF NEW AT GRADE PUBLIC CROSSING**

MILEPOST 14.77
TEXAMERICA'S CENTER in HOOKS, BOWIE COUNTY, TEXAS

THIS AGREEMENT ("Agreement") made this 10th day of October, 2013, by and between the **TEXAMERICA CENTER** hereinafter called "**Agency**", and the **TEXAS NORTHEASTERN RAILROAD**, hereinafter called "**Railway**":

WITNESSETH:

WHEREAS, there is a proposed roadway to be operated by **Agency**, and that shall cross property owned or controlled by the **Railway**; and

WHEREAS, **Agency** wishes to remove an existing private road at the entrance to TexAmericas Center, **DOT#795846V**, **Railway's Milepost 14.76** and construct a new public road at **Railway's Milepost 14.77**, **Reusing DOT# 795846V** to serve as entrance access to the TexAmericas Center in Hooks, TX. The existing private crossing will immediately be removed from service upon in-service commissioning of the new public crossing.; and

WHEREAS, in the interest of public safety and aiding motor vehicle traffic, the **Agency** is willing to undertake the entire expense for the installation of rail equipment including new gates, lights, a drivable crossing surface, and other ancillary rail equipment at the proposed crossing - **TexAmericas Entrance, Railway's Milepost 14.77, DOT# 795846V, Railroad Project # TNERGC12001**. hereafter called "**Project**"; located in the City of Hooks, State of Texas; and

WHEREAS, attached hereto and hereby made a part hereof as **Exhibit A** is a Project Print showing the type, size, and location of the new at-grade crossing railroad equipment; and

WHEREAS, **Railway** is willing to take all necessary, reasonable steps to coordinate and implement the **Project** upon the terms and conditions herein stated and not otherwise; and

WHEREAS, the **Agency** is willing to undertake the entire cost and expense of future maintenance of the proposed roadway adjacent to the project with **Agency** funds; and

WHEREAS, the **Agency** is willing to undertake the entire cost and expense of future maintenance of the railroad warning devices and equipment portion of the **Project** with **Agency** funds; and

WHEREAS, said **Project** shall be constructed in accordance with full plans and full designs which shall be subject to the mutual approval of **Railway** and **Agency**;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, it is mutually agreed as follows:

I. Performance of Work

The **Agency** and **Railway** will each perform various items of work as described below:

A. WORK TO BE PERFORMED AND MATERIALS FURNISHED BY EITHER **AGENCY** OR ITS CONTRACTOR AT **AGENCY** EXPENSE.

1. Project Plans & Specifications and Construction
Except as otherwise herein provided, furnish all plans, engineering, supervision, labor, material, supplies and equipment necessary for construction of the proposed road construction adjacent to the **Project**.
2. Roadway Construction
Take all necessary, reasonable steps - including funding - for the construction of the adjacent street roadbed to include but not limited to all pavement structure, pavement surface, shoulders, drainage, sidewalks, City utilities, pavement striping, advance pavement markings, erosion control, tree cutting, mowing, and advance warning signs. The Agency will also be responsible for constructing the entire sub-surface and surface including that within the limits of the railway ties to the **Agency's** standards.
3. Utility Construction
Bear responsibility for the reconstruction, if applicable, of the existing utility lines over the track, or under, which are a direct result of the **Project**. All overhead utility crossings that stay above the tracks will be raised in accordance with **Railway** requirements and specifications. **Agency** shall be responsible to properly permit and obtain **Railway** written approval of all utility crossings.

Overhead Power Lines crossing the new roadway will be removed and Pole #1 in **Exhibit A** will be removed at **Agency's** expense.
4. Maintenance of Traffic
Bear responsibility for all traffic detours, maintenance of traffic, and all other roadway modifications, permanent or temporary, necessary for **Railway** to complete crossing warning device installations, in addition to doing the same for the adjacent street.
5. Schedule & Notification
Provide project construction schedule and notify **Railway** fifteen days (15) days prior to date **Railway** is to provide flagging services.

The **Agency** will begin construction of the street elements of the **Project** after this Agreement is fully executed, and the **Railway** has been notified 60 days in advance with a construction schedule,

Then, the **Railway** will install the rail equipment and crossing surface to serve new crossing. The **Agency** shall issue a Notice to Proceed to the **Railway** under this Agreement.

Lastly, the **Agency** will install the concrete transition and other minor street elements to complete the work for the project at the Crossing after the **Railway** places the crossing panels and tracks at crossing, and the existing Private Crossing will be removed entirely.

The entire rail and street construction at the Crossing is mutually desired to be complete by the end of December 2013.

B. WORK TO BE PERFORMED AND MATERIALS FURNISHED BY THE RAILWAY AT AGENCY EXPENSE.

1. Engineering and Bill Preparation
Perform preliminary and special engineering review and inspection, including field and office work and preparation of bills for the **Project**.
2. Construction of Crossing Surface & Rail Equipment at Crossing
The **Railway**, at the **Agency's** expense, will install track circuitry, gates, and related ancillary crossing safety equipment at the crossing site in accordance with the attached drawing No. 795846V.H01, dated July 11, 2013 (or the latest revision) attached as **Exhibit A**.

The **Railway**, at the **Agency's** expense, will remove 170 feet of the existing siding, remove and dress the existing crossing surface, and install approx. 57 feet of crossing panels for the new crossing. The **Railway**, at the **Agency's** expense, will install approx. 160 feet of new crossing panel and any other related crossing equipment in accordance with the attached drawing No. 795846V.H01, dated July 11, 2013 (or the latest revision) attached as **Exhibit A**. For the **Project**, the work will commence following the release of a Notice to Proceed from the **Agency**.

3. Flagging
The **Railway** will schedule and perform flagging and furnish requested services and devices during construction operations of the **Agency** or its contractor, as deemed necessary by the **Railway**. Any flagging cost or protective services performed by the **Railway** or its contractor shall be at the **Agency's** expense.

C. COSTS AND PAYMENTS.

Installation costs for the **Project** are estimated to be \$325,114.89 as shown on the attached **Exhibit B** and incorporated herein. The **Agency** hereby agrees to pay the **Railway** the project cost defined in this section. The **Railway** will provide a final invoice ninety (90) days after the end of **Project** construction/installation. The **Agency** will have up to sixty (60) days to pay **Project** invoices. If a contractor is used, the **Agency** will pay, or cause to have paid, the **Agency** contractor for work on Crossing.

II. Construction Plans and Specifications

The **Agency** or its contractors shall perform its work in accordance with detailed plans and specifications which shall be prepared by the **Agency** or its contractors and submitted to **Railway** Manager of Public Projects for approval of those sections that are applicable to **Railway's** right-of-way, facility, or operations of the **Railway**. No work pursuant to said plans and specifications shall be performed on the right-of-way of the **Railway** prior to receipt of **notices to proceed given by the Railway Manager of Public Projects** or authorized representative to the **Agency** engineer or their respective authorized representatives. Nothing provided in this Agreement with respect to said plans and specifications shall be construed or deemed to be ratification or an adoption by the **Railway** of either or both said plans as its own.

III. Traffic Protection, Safety and Flagging

All work herein provided for, to be done by the **Agency** or its contractors on the **Railway's** right-of-way, to be performed by the **Agency** or its contractors shall be performed at such time and in such manner as not to interfere unnecessarily with the movement of trains or traffic upon the tracks of the **Railway**. The **Agency** or its contractors shall enter into a "Right-of-Entry Agreement" with the **Railway** prior to the first entry onto **Railway's** right-of-way. The **Agency** or **Agency's** contractor shall reimburse the **Railway** for all actual costs related to flagging per *Section I.B.3.* in this Agreement. The **Railway** will submit bills for flagging and other protective services and devices during the progress of the work contemplated by this Agreement.

Wherever the safeguarding of trains or traffic of the **Railway** is mentioned in this Agreement, it is intended to cover and include all users of the **Railway's** tracks having permission for such use.

IV. Conditions, Restrictions, and Limitations

All the aforementioned rights are granted subject to the terms, provisions, conditions, restrictions, limitations, covenants, reservations and exceptions contained in this Agreement, including, without limitation, those set forth in **Exhibit C** attached hereto and by this reference incorporated herein; the **Agency**, in the exercise of the rights and in the conduct of the **Project**, shall and will do, keep, observe and perform each and all of the terms, provisions, conditions, restrictions, limitations, covenants, reservations and exceptions.

The Agency shall insure that its contractor(s) obtain and provide to **Railway** evidence that such contractor(s) have procured the insurance coverage described in **Exhibit C**, hereto attached, covering their work on **Railway's** property covering this project.

V. Compliance with United States Federal Regulations

The current provisions of 23 CFR (Code of Federal Regulations) parts 646, subpart B and 23 CFR parts 140, subpart I, shall apply to the work to be done under this Agreement, and said memorandum is hereby incorporated in and made a part of this Agreement by reference.

If the **Railway** enters into a contract or agreement with a contractor to perform any of the work, which the **Railway** is required to perform under the terms of this Agreement, the **Railway**, for itself, its assigns and successors in interest, agrees that it will not unlawfully discriminate in its choice of contractors.

VI. Signatory Warranty

Each signatory to this Agreement certifies that he has the authority to enter into this Agreement on behalf of his respective organization.

VII. Term, Ownership, and Maintenance Responsibilities

The term of this Agreement commences on the date on the top of page one hereof and shall continue for a period not to exceed the earlier of the 12 months from the date construction commences within the **Railway's** Right-of-Way or completion of the construction of the Project as determined by the **Railway**. The **Agency's** and the **Railway's** obligations under Section 1(A)(5) and in the following paragraphs of this Provision shall survive the term of this Agreement.

Upon completion of the crossing, the **Agency**, at the **Agency's** expense, will be responsible for the maintenance of the highway roadbed outside of the railway ties and the roadway up to the edge of the railroad crossing surface to include but not limited to all pavement structure, pavement surface, shoulders, drainage, sidewalks, pavement striping, advance pavement markings, erosion control, tree cutting, mowing, and advance warning signs.

Upon completion of the crossing, the **Railway**, at the **Agency's** expense, will be responsible for the maintenance of the crossing surface, trackbed and rail components, plus the highway roadbed, for the width of the rail ties within the crossing area.

Upon completion of the crossing, the **Railway**, at the **Agency's** expense, will be responsible for the maintenance of the crossing warning devices, equipment and all associated components of the **Railway** warning system.

Commencing on the day after the sixth anniversary of the completion of the installation of the crossing, the **AGENCY** shall pay unto **RAILWAY** annually, and in advance, the annual cost of maintenance of said crossing surface and warning devices. The annual cost of maintenance of the crossing including the crossing surface, which includes but is not limited to all subgrade track structure components, rail, ties, OTM, and crossing surface panels, and the warning system devices, which includes but is not limited to the signs, flashing lights, bells and gates, and all associated components is \$4,000.00 at the current time. The forgoing amount is an estimate based on the current charges and may be increased by the **RAILWAY** commensurate with the actual increase in cost.

In addition, the **Agency**, at the **Agency's** expense, will be responsible for the complete future repair or replacement of said crossing surface and warning devices. This includes all crossing surface repair and replacement costs required due to Acts of God, normal wear and tear, and damage from accidents where third party accountability cannot be determined, and any other cause not attributable to the Railway.

VIII. Assignment

Neither party has the right to assign this Agreement without the consent of the other. Notwithstanding the foregoing, this Agreement shall inure to the benefit of and be binding on the parties hereto, their successors, and assigns.

IX. Construction


The **Agency** shall complete all construction within one (1) year of the execution date of this Agreement, or as outlined in Section 1.A. 5. herein. If construction has not commenced within one (1) year, this Agreement becomes null and void. If construction has commenced and is not complete, the **Agency** shall provide the **Railway** a time line for the completion of the construction. The **Railway** will review the time line and determine if amendments to the terms of this Agreement or supplemental agreements are required prior to the completion of construction.

IX. Acknowledgement of Budget Limitations

The **AGENCY** retains the right to terminate this contract at the expiration of each of its budget years occurring during the term of this contract. This contract is a commitment of current revenues only. If this contract is terminated by the **AGENCY** at the expiration of any budget year occurring during the term of this contract, the **RAILWAY** may, at its option, take the crossing out of service, and the cost of removing the crossing from service will be the responsibility of the **AGENCY**.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year hereinafter written.

WITNESS:



Administrative Asst.

AGENCY




Authorized Representative Signature



Authorized Representative (print) / Title

WITNESS:



Director of Administration

TEXAS NORTHEASTERN RAILROAD,
A DIVISION OF THE MID-MICHIGAN RAILROAD, INC.



Authorized Representative Signature



Authorized Representative (print) / Title

Exhibit A Proposed Rail Crossing Equipment

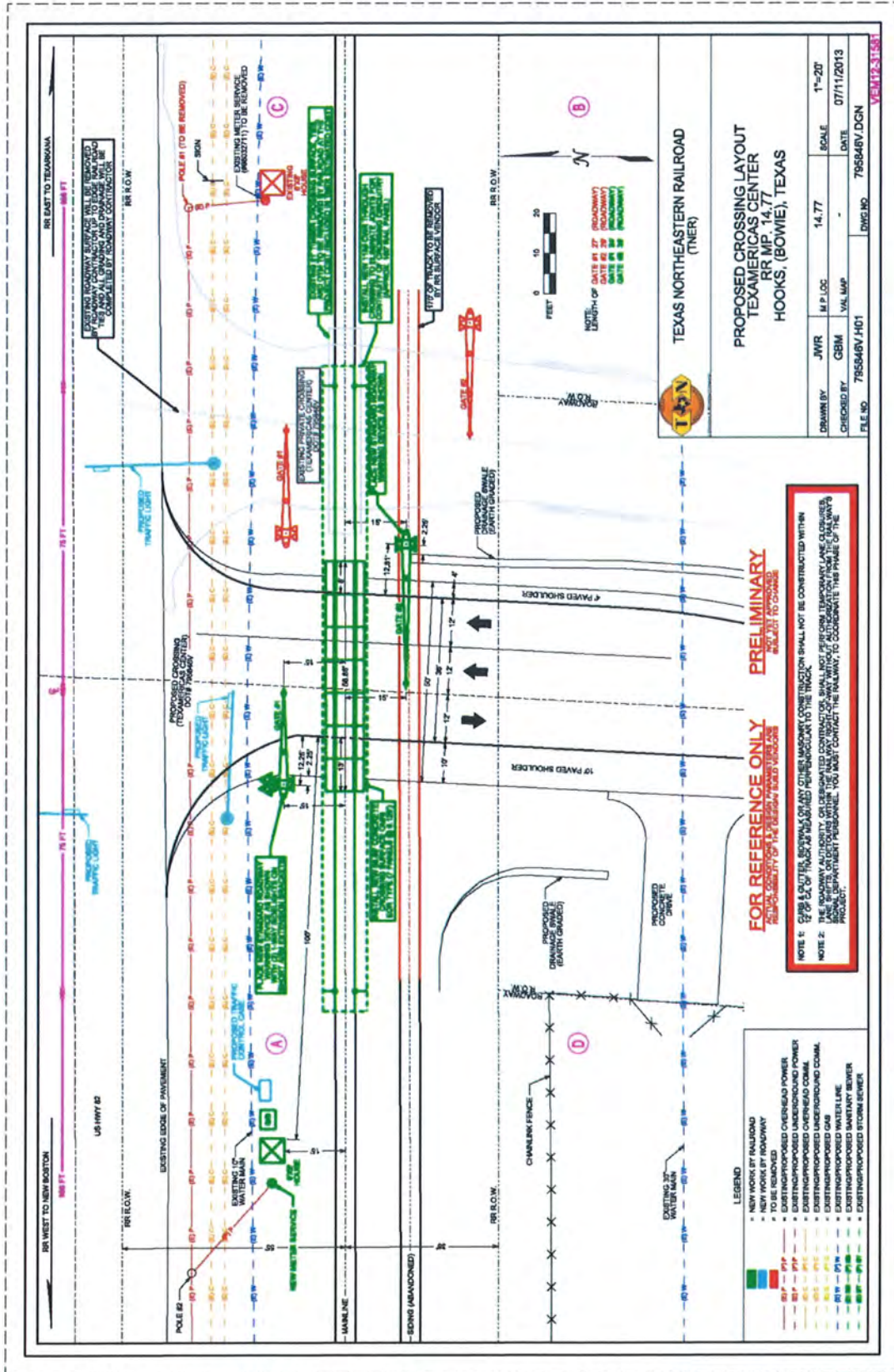


Exhibit B
Rail Construction and Equipment Cost Estimate



a Genesee & Wyoming Company
 Estimate No.: 795846V - 5/10/13

Texas Northeastern Railroad (TNER)
 HOOKS, (Bowie), TX - TexAmericas Entrance Crossing

DOT#: 795846V
 RR MP.: 14.77

Central Region
 Texarkana Subdivision

RAILROAD #: TNERGC12001
 XORAIL#: VEM12-31581

Summary

CROSSING WARNING SYSTEM <small>(Includes all design, requisition, labor, materials, shop wiring, and installation)</small>	\$183,841.91
CROSSING SURFACE/RESURFACE <small>(Includes all design, requisition, labor, materials, and installation)</small>	\$93,704.00
TRACK GRADE AND REHABILITATION <small>(Includes all design, requisition, labor, materials, and installation)</small>	\$0.00
RAILROAD ENGINEERING <small>(Includes RAILROAD Labor for Reviewing Engineering Authorizations, Field Inspections and Administrative Labor)</small>	\$5,418.98
PRELIMINARY ENGINEERING (Phase 1) <small>(Includes CONTRACT Labor for all Engineering, Agency Coordination, and Project Management) <i>(Pre-Paid)</i></small>	\$8,000.00
AGREEMENTS & APPROVALS (Phase 2) <small>(Includes CONTRACT Labor for all Engineering, Agency Coordination, and Project Management) <i>(Pre-Paid)</i></small>	\$5,000.00
CONSTRUCTION ENGINEERING (Phase 3) <small>(Includes CONTRACT Labor for all Engineering, Agency Coordination, and Project Management)</small>	\$12,150.00
CONSTRUCTION ENGINEERING INSPECTION <small>(Estimated Construction Engineering Inspection cost based on 0 days @ \$1500 per day)</small>	\$0.00
UTILITY CROSSING <small>(0 new utility crossings @ \$4000 per crossing, includes application, engineering review, and right of entry)</small>	\$0.00
RIGHT OF ENTRY FEE <small>(Right of Entry Fee of \$1,500 is valid for 60 days, after 60 days, additional fees of \$750 per 30 days are required)</small>	\$1,600.00
FLAGGING SERVICES <small>(Estimated Flagging Services cost based on 10 days @ \$1050 per day)</small>	\$10,500.00
AC POWER SERVICE <small>(Includes all Power Service Charges not included in other costs)</small>	\$5,000.00
OTHER (Description Required)	\$0.00
TOTAL ESTIMATE COST	\$325,144.89 (USD)

DATE: 5/10/13

RESPONSIBLE PARTY:

Name: **TexAmericas**
 Number: **TBA**
 Contact: **David Williams/Bill Cork**

NOTE: This Estimate has been prepared based on site conditions, anticipated work duration periods, material prices, labor rates, manpower, resource availability, and other factors known as of the date prepared. The actual cost for Railroad work may differ based upon the agency's requirements, their contractors work procedures, and/or other conditions that become apparent once construction commences or during the progress of the work. If any extended time elapses from the date of this Estimate, the Railroad will reserve the right to update the estimate to current price values, and require agency's approval before any work by Railroad will commence.

Exhibit C

Insurance Requirements

The coverage afforded hereunder shall include the liability assumed by the named insured under the following indemnification provisions contained in an agreement in writing between the named insured and **TEXAS NORTHEASTERN RAILROAD**, covering work to be performed upon or adjacent to its property Mile Post 14.77, quoted herein below for convenience:

IF ALLOWED BY LAW, AGENCY AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS RAILWAY, ITS AFFILIATED AND PARENT COMPANIES, AND THEIR RESPECTIVE OFFICERS, AGENTS, AND EMPLOYEES FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LOSSES, DAMAGES, CAUSES OF ACTION, SUITS, AND LIABILITIES OF EVERY KIND (INCLUDING REASONABLE ATTORNEYS' FEES, COURT COSTS, AND OTHER EXPENSES RELATED THERETO) FOR INJURY TO OR DEATH OF A PERSON OR FOR LOSS OF OR DAMAGE TO ANY PROPERTY, ARISING OUT OF OR IN CONNECTION WITH ANY WORK DONE, ACTION TAKEN OR PERMITTED BY THE AGENCY, ITS SUBCONTRACTORS, AGENTS OR EMPLOYEES UNDER THIS CONTRACT.

IT IS THE EXPRESS INTENTION OF THE PARTIES HERETO, AGENCY AND RAILWAY, THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH, TO THE FULLEST EXTENT PERMITTED BY LAW, INDEMNIFIES RAILWAY FOR ITS OWN NEGLIGENCE, WHETHER THAT NEGLIGENCE IS ACTIVE OR PASSIVE, OR IS THE SOLE OR A CONCURRING CAUSE OF THE INJURY, DEATH OR DAMAGE; PROVIDED THAT SAID INDEMNITY SHALL NOT PROTECT RAILWAY FROM LIABILITY FOR DEATH, INJURY OR DAMAGE ARISING SOLELY OUT OF THE CRIMINAL ACTIONS OF RAILWAY, ITS OFFICERS, AGENTS AND EMPLOYEES. IT IS STIPULATED BY THE PARTIES THAT RAILWAY OWES NO DUTY TO AGENCY, ITS CLIENT, OR THEIR DIRECTORS, OFFICERS, EMPLOYEES AGENTS OR INVITEES TO PROVIDE A REASONABLY SAFE WORK PLACE AND THAT ALL PARTIES ENTERING ONTO RAILWAY PROPERTY DO SO AT THEIR SOLE RISK. IT IS ACKNOWLEDGED BY RAILWAY, THAT THE AGENCY IS SELF INSURED.

Notwithstanding the foregoing, the parties agree that the following coverage's are material requirements of this Contract and such coverage's shall not be limited by the Agency inability to indemnify and hold harmless the Railway under the Texas Constitution.

The policy or policies shall provide coverage in amount of not less than Two Million Dollars (\$2,000,000) combined single limit for all damages arising out of bodily injury to or death of persons and for loss of or damage to property.

The policy or policies, where applicable and available, shall contain Insurance Services Office Standard Endorsement CG 2417. The policy must contain a waiver of subrogation in favor of the railroad and the Cities insurance coverage is primary.

No cancellation of this policy or modification of the coverage afforded under this endorsement shall be effective until ten (10) days' notice thereof has been given to: TEXAS NORTHEASTERN RAILROAD (TNER); Attn.: Property Management Dept., 403 International Parkway, Suite 500, Richardson, TX 75081 AND Genesee & Wyoming, Attn: Larry Romaine, 13901 Sutton Park Drive South, Suite 330, Jacksonville, FL 32224

The policy as outlined herein shall name Railway and as an additional insured.

The policy as outlined herein shall name Railway and affiliates as listed below as additional insured with respect to F.E.L.A. coverage, and/or if applicable under the laws of the State in which the work is performed.

The policy as required herein shall name Genesee & Wyoming, Inc. and all their affiliated properties, including **TEXAS NORTHEASTERN RAILROAD**, as insured's.

Railway requires that each Insurance Carrier providing coverage must be an Admitted Company in the State for which this Agreement is written and has an A.M. Best rating of "A" or better and a financial class rating of 10 or better.

Prior to the performance of any work upon or adjacent to Railway's property under this Agreement:

- (a) **Agency shall furnish Railway, at Agency expense, a certified copy of a public liability and property damage liability insurance policy issued in the name of Agency covering the contractual liability assumed by Agency. The form, substance, and limits of said insurance policy shall be subject to the approval of Railway and shall be in compliance with the provisions contained herein. It is acknowledged by Railway that the Agency is self insured.**
- (b) **Agency shall furnish Railway, at Agency expense, a certificate of Workers Compensation coverage, including Federal Employee Liability Act coverage if applicable, for its workers and subcontractors in accordance with the requirements of the State or States in which said work is to be performed. It is acknowledged by Railway that the Agency is self insured.**
- (c) **Agency shall furnish a policy of Railway Protective coverage in the amount of Two million and no/100 dollars (\$2,000,000.00) per occurrence, Six million and no/100 dollars (\$6,000,000.00) aggregate with named insured as outlined herein. WARNING: ONLY A POLICY OF RAILROAD PROTECTIVE INSURANCE WHICH SPECIFICALLY NAMES GENESSE & WYOMING INC. AND ALL THEIR AFFILIATED PROPERTIES, INCLUDING TEXAS NORTHEASTERN RAILROAD, AS THE INSURED PARTIES IS ACCEPTABLE AND A COPY OF SAID POLICY MUST BE RECEIVED PRIOR TO THIS PERMIT BEING APPROVED ON BEHALF OF RAILWAY. It is acknowledged by Railway that the Agency is self insured.**

Agency shall keep said insurance in full force and effect until all work to be performed upon or adjacent to the Premises under said contract is completed to the satisfaction of and accepted by Railway and thereafter until Agency has fulfilled the provisions of this Agreement with respect to the removal of tools, equipment and materials from the Premises. It is acknowledged by Railway that the Agency is self insured and no additional policy shall be required.