



## ARIZONA DEPARTMENT OF ADMINISTRATION

### RISK MANAGEMENT DIVISION

100 NORTH FIFTEENTH AVENUE • SUITE 301  
PHOENIX, ARIZONA 85007

(602) 542-2182

## EXCEPTION REQUEST FOR A CONTRACT, LEASE, OR OTHER WRITTEN AGREEMENT

As a State of Arizona employee, you may have the responsibility to review and/or write contracts, leases, or other written agreements. Many contracts, leases, or other written agreements use State of Arizona boilerplate language that has been reviewed and approved by the Office of the Attorney General and the State Risk Management Office.

On occasion, you will see or be requested to use non-standard contract language by a contractor or vendor. They may provide their own agreement, rather than use a State of Arizona boilerplate.

A written request for an exception that is signed by your Agency's Director must be submitted and approved in writing by the State Risk Management Office per A.A.C. [R2-10-301](#) (B) (C).

### **Please use the Request for Exception form below for:**

- Indemnification Clause - Any proposed change to the State of Arizona indemnification language that may impact the State's defense in the event of a claim.
- Any language in a contract or legal agreement that indemnifies, holds harmless or limits the liability of the contractor or vendor, waives the State's rights to subrogate, or names a non-state entity as an additional insured.

### **Do not use this form for:**

- Exceptions to the indemnification language in the [Uniform Terms and Conditions of Contracts](#).
- Changes to the insurance dollar limits specified in contracts, leases, or other written agreements.

For these types of changes, contact 602-542-2180 to be directed to your Insurance Analyst.

**Note: Form functionality may vary if using a program other than Acrobat or Adobe Reader 7.0.5 or later.**

The contract, lease, or other written agreement must be read thoroughly and reviewed for ALL provisions that would require an exception to be made.

You should request the removal of any language that would require an exception. Only after all attempts to negotiate the removal have reached an impasse should an exception request be submitted to the State Risk Management Office.

Consider the following when requesting an exception:

- In the case of a contract, is the contractor a sole source?
- What are the circumstances of this contract, lease, or other written agreement?
- What additional risk of loss does entering into this agreement expose the State to?
- Is this contract, lease, or other written agreement vital to the Agency's mission?
- Is this contract exception in the best interest of the State?

Complete all required fields on the Request for Exception form. The form must be signed by the Agency's Director and then submitted to the State Risk Management Office for approval. ALL submissions must be accompanied by a copy of the final unexecuted contract, lease, or other written agreement.

**\*\* THE INFORMATION PROVIDED WITHIN THIS FORM IS LIMITED AND ADOA RISK MANAGEMENT RESERVES THE RIGHT TO REQUEST ADDITIONAL INFORMATION AND/OR ADDITIONAL DOCUMENTATION. \*\***



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Request for Exception to [R2-10-301](#)  
(please select at least one)

- Contractual Limitation of Liability
- Indemnification/Hold Harmless
- Additional Insured
- Waiver of Subrogation

Please attach contract documents and identify language requiring an exception.

"Agency" refers to all State of Arizona Agencies, Boards, Commissions, and Universities.

CONTRACT, LEASE, OR OTHER WRITTEN AGREEMENT INFORMATION		
Agency:		
Request Date:	Vendor Name:	
Title:		Number:
Effective Date:	Term:	Value:
Section(s) referencing Limitation of Liability:		
Sections(s) referencing Indemnification / Hold Harmless:		
Section(s) referencing Additional Insured and/or Waiver of Subrogation:		
<b>Descriptions</b>		
<input type="checkbox"/> Performing a service for the Agency (with or without delivery of a product) such as software, hardware, consultant services, advisory, managerial, etc...		
<input type="checkbox"/> Product only (no services) such as material transfer, loan of personal property, etc.		
<input type="checkbox"/> Grant/Disbursement of Funds		
<input type="checkbox"/> Patents/Copyrights		
<input type="checkbox"/> Lease, Permit, License, Patent (pertaining to land or transfer of land to the State)		
<input type="checkbox"/> Other - Describe:		

## ASSERTIONS

1. \_\_\_\_\_ represents the contract negotiations have reached an impasse. The contract, lease, or other written agreement is (*check all that apply*):

- A Sole Source
- Impractical to Bid
- Other - Describe:

2. \_\_\_\_\_ represents the contract, lease, or other written agreement is critical to the Agency's mission and is in the best interest of the State. **Initial here:**

3. \_\_\_\_\_ represents the contract, lease, or other written agreement addresses economical and/or efficiency of performance needs of the Agency. **Initial here:**

4. \_\_\_\_\_ represents it has evaluated the potential risk of loss created by these exceptions. Those risks identified are as follows:

*Check all that apply. If a box is checked, then provide a brief explanation.*

- Financial losses.
- Bodily injury or property damage losses.
- Losses due to inoperability of machinery or systems.
- Losses due to non-collection or non-disbursement of funds.
- Losses due to unauthorized access due to lack of effective encryption or use of other security measures.
- Losses due to infringement of Intellectual Property and/or Copyright.
- Losses related to reliance on inaccurate subscription data.

Explanation:

5. Check ONE of the following:

- There are NO insurance provisions applicable to this agreement.
- There ARE insurance requirements (attach copy), and the Agency asserts that NO exceptions have, or will be made to such provisions, nor will the Agency fail to secure Certificates of Insurance in full compliance with such provisions. The State Risk Management Office reserves the right to review any Certificates of Insurance at any time in conjunction with any authority granted.
- There ARE insurance requirements (attach copy), and there ARE exceptions to such requirements being requested.

6. \_\_\_\_\_ agrees that this exception permits the Agency to enter into a contract, lease, or other written agreement pursuant to [A.A.C. R2-10-301](#), subject to [A.R.S. § 41-621](#). The Agency further acknowledges and understands this authorization is limited by these Statutes and may provide a limited remedy subject to law. The information provided within this form is limited and the State Risk Management Office reserves the right to request additional information and/or additional documentation.

Initial here:

7. \_\_\_\_\_ acknowledges that it may be exposed to uninsured losses, including, but not limited to:

- a. Regulatory Requirements  
**Examples:** Credit Monitoring, Regulatory Fines
- b. Consequential or Indirect Damages  
**Examples:** Data Loss, Business Continuation / Interruption
- c. Breach of Contract  
**Examples:** Delay, Non-performance, Contract property perils

Initial here:

The signature below certifies that the Agency has examined this document, finds the above **ASSERTIONS** to be correct, and that this transaction is for a valid public purpose.

Agency Director Signature: \_\_\_\_\_

Date: \_\_\_\_\_ Print Name & Title: \_\_\_\_\_

**Submit completed and signed request form to the State Risk Management Office:**  
[PLInsurance@azdoa.gov](mailto:PLInsurance@azdoa.gov)

**Approved by State Risk Management**

Date: \_\_\_\_\_