

POSSIBLE MOTION

I MOVE to authorize the Municipal Administrator to sign a Professional Services Agreement with Currents Consulting to provide engineering services for the blue Lake Hydroelectric Expansion and Takatz Lake Feasibility Projects; and execute the Agreement on behalf of the Assembly of the City and Borough of Sitka.



Memorandum

April 15, 2010

To: Jim Dinley, Municipal Administrator
From: Christopher Brewton, Utility Director, Electric Department
Subject: **Professional Services Agreement – Currents Consulting – Blue Lake & Takatz Lake Projects**

Request

This is to request Assembly approval to authorize the Municipal Administrator to sign a Professional Services Agreement (PSA) between Currents Consulting (Engineer) and the City and Borough of Sitka (CBS) for engineering services for the Blue Lake Hydroelectric Expansion and the Takatz Lake Feasibility Projects.

Analysis:

The CBS is undertaking two extensive hydroelectric projects, the Blue Lake Expansion and Takatz Feasibility that will require external engineering services. The services provided by Mr. Paul Carson of Currents Consulting have been invaluable in providing the CBS an independent analysis and recommendations for the work completed to date on the Blue Lake project.

As the Blue Lake project progresses into final engineering design and development of material and construction specifications it will be imperative to have technical expertise to assist the Electric Department in completion of these tasks. Mr. Carson has extensive technical expertise and experience with Sitka's electrical system. His services are critical in ensuring the above projects are completed with the most cost effective and technically acceptable designs. Engineering work for the Takatz Lake project will be less extensive but vital to the acceptance of a license application by the Federal Energy Regulatory Commission (FERC).

Fiscal Note:

Sufficient funds are available for this contract and costs for each individual project will be charged separately to the appropriate capital account. Purchase orders in incremental amounts will be issued to manage these projects. At this point, estimated costs are approximately \$250,000 for the project(s) duration, which is 2011 for Takatz and 2014 for Blue Lake.

Recommendation:

The expertise and professional knowledge offered by Mr. Carson for these projects will be invaluable to the successful completion of these projects and the rates are very cost effective. I highly recommend approval of the Professional Services Agreement with Currents Consulting.

Recommended Motion:

I MOVE to authorize the Municipal Administrator to sign a Professional Services Agreement with Currents Consulting to provide engineering services for the Blue Lake Hydroelectric Expansion and Takatz Lake Feasibility Projects; and execute the Agreement on behalf of the Assembly of the City & Borough of Sitka.

Professional Services Agreement
Currents Consulting
Appendices A-E
April 2010

Appendix (A): Scope of Work – Blue Lake Expansion

The CBS intends to expand the Blue Lake Hydroelectric Project by increasing the generation capacity and raising the Blue Lake Dam collectively known as the Blue Lake Expansion Project. In that Paul Carson is very familiar with Sitka's hydroelectric system the CBS is contracting the services of Currents Consulting to assist Sitka with overseeing the engineering and construction of this project. The scope of the engineering required to complete Blue Lake Expansion is outlined under Scope of Work Appendix (A1). This scope will be performed by, Hatch Acres, a general engineering firm selected by the CBS.

Currents Consulting's scope for the engineering phase is to assist and advise the CBS in:

- Defining the tasks
- Developing task order invitations
- Reviewing task order proposals
- Reviewing the work products
- Make recommendations to the CBS as requested that will achieve the goal of producing a well engineered cost efficient end product.

Currents Consulting's scope for the construction phase is to assist and advise the CBS in:

- Managing construction contracts
- Reviewing Submittals

Appendix (A1): Scope of Work – Hatch Acres

The CBS has awarded a general engineering contract to Hatch Acres for design and construction support services for the Blue Lake Expansion Project. The CBS anticipates the following specific task orders will be issued for the engineering services. In each case the CBS will outline the task scope, and issue a Task Order Invitation for each task. Hatch Acres will prepare a detailed task scope and estimate of the man-hours, required information or data from the CBS necessary to complete the task, milestones and cost to perform the task as dictated by the Task Order Invitation. The task order will be issued only after approval of the engineering consultant's detailed scope and budget for each task order.

1. Task 1 (Design development study and report):
 - a) Review of existing information
 - b) Geotechnical investigations
 - c) Definition of the selected project arrangement with feasibility level drawings
 - d) Design criteria for the project features
 - e) Feasibility level cost estimate
 - f) Schedule for the selected project
 - g) Interim progress submittals, draft and final reports.

2. Task 2 (Engineering, equipment specifications and bid document preparation for equipment procurement):
 - a. Turbines and generators packages
 - b. Switchyard transformers and equipment
 - c. Valves and gates
 - d. Cranes and hoists
 - e. Controls and switchgear
 - f. Ancillary equipment
 - g. Fabrication and supply cost estimate

3. Task 3 (Engineering, detailed design, specifications and bid document preparation for project construction):
 - a. Dam raise and spillway
 - b. Plunge pool modifications
 - c. Howell Bunger valve modifications (possible)
 - d. Access roads (dam construction and reservoir clearing related)
 - e. Reservoir Clearing
 - f. Tunnel modifications and surge chamber addition
 - g. Intake gate and gate shaft
 - h. Decommissioning of existing intake gates and hoists
 - i. Access roads and site civil preparation
 - j. Fish Valve turbine replacement
 - k. Penstock extension
 - l. New powerhouse, including excavation, powerhouse structure, tailrace, switchgear, controls, turbines, generators, ancillary equipment, and appurtenances
 - m. Substation and switchyard modification
 - n. Existing powerhouse decommissioning
 - o. Existing utilities relocation
 - p. Decommissioning of Pulp Mill Feeder Unit
 - q. Construction cost estimate
 - r. Supporting Design Reports as required for FERC submittal
 - s. Non-FERC permitting (i.e. construction permitting)

4. Task 4 (Services during construction):
- a. Bid reviews
 - b. Recommendations for selection of equipment vendors and contractors
 - c. Coordination with vendor engineering
 - d. Submittal drawing review and approval
 - e. Assistance in response to contractor requests for information (RFIs).
 - f. Project scheduling and schedule performance tracking
 - g. Performance oversight of contractors and equipment (construction management) which includes:
 - i. Home office engineering support
 - ii. On-site construction inspection services
 - h. Measurement for payment and approval of contractor invoices

The tasks are laid out as discreet events so that in the case that this contract is terminated by either party, the engineering may be continued by a third party using all the work completed at the time of termination.

Appendix (A2): Scope of Work – Takatz Lake Feasibility

Currents Consulting shall provide engineering support services as required for CBS to prepare the FERC License Application documents for the Takatz Lake Project. Services shall use existing studies and technical information where possible. Support services will not include any subsurface geotechnical investigations or detailed engineering design of the Project features.

Services shall be structured to provide adequate descriptions and drawings of the proposed project, consistent with the requirements of the FERC licensing process. Work products shall include the following:

1) Project Arrangement and Description:

Develop general arrangement figures, drawings, cost estimates, and preliminary feasibility level engineering plans including:

- a. Dam(s)/Intake/Powerhouse/Substation
 - i. Location of primary dam and saddle dam, plan and elevation views
 - ii. Powerhouse location, plan and elevation views, interior layout
 - iii. Powerhouse elevation renderings, for use in aesthetics analysis
 - iv. Tailrace configuration
 - v. Preliminary locations of access roads, docks, landing pads, equipment and construction staging areas
 - vi. Brief evaluation of geothermal energy potential in project area

b. Transmission Line

- i. Transmission line types, proposed routing, including preferred and alternative routes
- ii. Overhead, submarine, and buried segments of transmission line, tower and pole line design, and general appearance
- iii. Conceptual design for Takatz Creek substation, including location, size, and general layout
- iv. Interconnection requirements to connect to existing transmission line
- v. Transmission line cost comparisons for alternative type and location

2) Project Operations:

Develop general plans to evaluate plant operations including, energy production, staffing levels, and maintenance costs:

- i. Utilize existing generation and load information or models to develop an operations plan and evaluate firm and incremental energy production considering constraints such as instream flow and lake level restrictions
- ii. Estimate reservoir drawdown, area capacity relationships and design flow for generation
- iii. Provide technical support for the City in development of reservoir operations and instream flow regimes with resource agencies
- iv. Determine appropriate staffing levels for operation of facility and projected long-term maintenance costs
- v. Briefly review project as a possible regional energy resource and estimated technical challenges including cost impacts

3) Draft License Application:

Prepare all engineering related submittals for FERC license application including:

- i. Prepare Need for Power section in CBS prepared Preliminary Draft Environmental Assessment (PDEA)
- ii. Prepare Developmental Analysis section of PDEA
- iii. Prepare or assist in preparation of Exhibits A,B,C,D,F, and G including graphics

4) Scope Development for Future Engineering Studies:

Prepare scoping documents for final feasibility level engineering studies for the Project as follows:

- i. Geotechnical Investigations
- ii. Transmission line routing and preliminary design
- iii. Generating facilities arrangement
- iv. Feasibility level construction cost estimate

Appendix (B): Compensation

Compensation for Currents Consulting will be based on actual hours, expenses and the cost of third party services.

- 1) Hourly rates for Paul Carson are \$155.00/hr for engineering, which is expressed in US dollars. Rates will be adjusted to include an annual 2.5% increase effective each year, with the first increase occurring on January 1, 2011.
- 2) Overtime will be billed at straight time rate.
- 3) Internal expenses, such as IT (computer, standard software, etc.) are included in the hourly rate and will not be charged separately.
- 4) External expenses (express mail, travel, meals, etc.) billed at cost plus 5% mark-up.
- 5) Sub-consultants' invoices will be marked up 5%.
- 6) Compensation for field services during construction involves housing, subsistence and other assignment costs, which will be negotiated at the time that services are required.

Appendix (C): Communication

Communications between the Contractor and the CBS shall include the Blue Lake Project Manager, Dean Orbison, and Utility Director, Christopher Brewton for the CBS and Paul Carson for the contractor.

All communications regarding scope, schedule or budget shall be directed to the CBS's designated contacts. All communications requesting agreement or confirmation of technical decisions or conclusions shall be directed to the CBS's designated contacts.

Communications directly between the Contractor, the general engineering consultant, CBS staff or the CBS's individual consultants may take place, provided that all such communications are appropriately copied to the CBS's designated contacts.

Direction of Work

Contractor's work shall be directed and requested by the CBS's designated contacts. Requests and direction will be submitted to the contractor in writing usually by e-mail. The contractor shall acknowledge each request and provide a short proposal to perform the work and timetable to complete it. POs will be issued by the CBS in the form of a general retainer for the work performed.

Reporting

Contractor shall provide a monthly report summarizing work performed during the month, and status of the work in progress.

Appendix (D): Work Products

Work performed under this contract need not be stamped by a professional engineer.

All deliverables must be submitted in the electronic format that it was generated (i.e. WORD, Excel, ACAD), so that it may be modified, a Adobe Acrobat .pdf format for publication, and paper copies when and as requested by the CBS. Progress submittals shall also be submitted in Adobe Acrobat .pdf format. As needed, the underlying documents shall be edited as needed to provide easily readable Adobe Acrobat .pdf format documents.

Use of Deliverables

The CBS retains the right to use all work products paid for by the CBS to continue the development and construction of the associated projects. The work products may be released to third parties to continue the work if necessary.

Appendix (E): Schedule

The Scope of Work will be performed as the Project progresses to completion. The Blue Lake Project is scheduled for completion in 2014 and the Takatz Lake Feasibility Project is scheduled for completion in 2011.

Contractor will be available for an average of 80 hours /month.

AGREEMENT TO PROVIDE PROFESSIONAL SERVICES TO THE CITY AND BOROUGH OF SITKA

The **City and Borough of Sitka** (“**CBS**”) and **Currents Consulting** (“**Contractor**”) individually referred to as “**Party**” and collectively referred to as “**Parties**,” enter into this “**Agreement To Provide Professional Services To The City and Borough Of Sitka**” The terms, conditions, and consideration regarding this Agreement are set out below.

This Agreement consists of:

- Professional Services Agreement
- Appendix (A): Scope of Work – Blue Lake Expansion
- Appendix (A1): Scope of Work – Hatch Acres
- Appendix (A2): Scope of Work – Takatz Lake Feasibility
- Appendix (B): Compensation
- Appendix (C): Communication
- Appendix (D): Work Products
- Appendix (E): Schedule

SECTION 1. DEFINITIONS

For the purpose of this Agreement, the terms used herein shall have the following meaning:

- A. The term “**CBS**” shall mean “**City and Borough of Sitka**”.
- B. The term “**Contractor**” shall mean “**Currents Consulting**”.
- C. “**CBS**” Authorized Representative shall be the person listed in Section 21(B)(2) of this Agreement.
- D. “**Days**” shall mean calendar days.

SECTION 2. AGREEMENT TIME PERIOD

- A. This Agreement becomes effective when signed and dated by both Parties, and covers the time period when professional services are provided by Contractor.

- B. Contractor shall perform for and on behalf of CBS regarding the services set out in the Scope of Services (attached as Appendix A). Except as expressly allowed under this Agreement, CBS need not grant the Contractor any extension in the time provided to complete the work under this Agreement. If the Contractor progress falls behind the project schedule, the Contractor shall commit additional resources to complete the work, or take such other additional steps as are reasonably necessary to assure the completion of the work at no additional cost to CBS.
- C. Contractor shall perform for and on behalf of CBS the scope of work in an expedient and reasonable manner.

SECTION 3. RESPONSIBILITY OF THE CONTRACTOR

At all times during the Contractor's performance under this Agreement, the Contractor shall possess and exercise the level of competence, knowledge and skill presently maintained by other practicing members of the profession in good standing in the same or similar localities.

Contractor must certify that the firm is authorized to do business in Alaska and provide proof of insurance and licensing.

SECTION 4. SCOPE OF SERVICE

The services to be performed by the Contractor shall include all services required to complete the scope of work set forth in Appendix A,C & D and shall be in accordance with all applicable statutes, ordinances, rules and regulations.

SECTION 5. OWNERSHIP OF DOCUMENTS

All plans, drawings, calculations, supporting data and specifications, originals and tracings,(Work Products) Appendix D shall become the property of CBS. Such documents shall be transmitted to CBS prior to the time of final payment for the work under this Agreement. The Contractor shall be entitled to retain and reference record copies and electronic files of all documents.

All designs, drawings, specifications, notes, artwork, computer programs, reports and other work developed with Energy Authority grant funds are public domain. In particular, the following language is in place: "Except as otherwise specifically agreed, and without limiting any Intellectual Property requirements of a federal funding agency, the Energy Authority shall have unlimited rights to use and to disseminate any data produced or delivered in the performance of the contract."

SECTION 6. TERMINATION

This Agreement may be terminated:

- A. By mutual consent of the Parties;

- B. For the convenience of CBS, provided that CBS notifies the Contractor of its intent to terminate under this paragraph in writing at least 10 days prior to the effective date of the termination; or
- C. For cause, by either Party where the other Party fails in any material way to perform its obligation under this Agreement; provided, however, that as a condition of the exercise of its right of termination under this subsection, the terminating Party shall notify the other Party of its intent to terminate this Agreement in writing, state with reasonable specificity the grounds, and allow the defaulting Party to cure the default within thirty (30) days of receiving the notice.
- D. Termination pursuant to this Section shall not affect the Parties continuing obligations under this Agreement.

SECTION 7. DUTIES UPON TERMINATION

- A. If CBS terminates this Agreement for convenience, CBS shall pay the Contractor the reasonable value of any services satisfactorily rendered prior to termination. Payment under this Section shall never exceed the total compensation possible under Section 9. CBS may terminate the work upon ten (10) days written notice to Contractor. Within ten (10) days after the Agreement terminates, Contractor shall deliver to CBS all finished and unfinished notes, reports, drawings and materials prepared by the Contractor which shall become the property of CBS.
- B. If this Agreement is terminated for cause, CBS shall pay the Contractor the reasonable value of the services satisfactorily rendered prior to termination less any damages suffered by CBS because of the Contractor's failure to perform satisfactorily. Any finished or unfinished documents or materials shall become the property of CBS at its option. Under no circumstances shall payment under this Section exceed the total compensation possible under Section 9.
- C. If the Contractor has received payments prior to termination in excess of the amount to which he is entitled under Subsection A or B of this Section, the excess amount shall be remitted to CBS within 30 days after receipt of CBS's notice to that effect.
- D. The Contractor shall not be entitled to compensation under this Section until the Contractor has delivered to CBS all documents, records, work products, materials and equipment owned by CBS, related to this Agreement and/or requested by CBS, as provided in Subsection A and B of this Section.
- E. CBS need not recognize any claim by the Contractor for reimbursable expenses or costs incurred after the time which the Contractor receives notice of termination under this Section.

SECTION 8. INDEMNIFICATION

- A. The Contractor shall indemnify, defend, save, and hold CBS harmless from any claims, lawsuits or liability, including attorney's fees and costs, arising from any wrongful or negligent act, error or omission of the Contractor occurring during the course of or as a result of the Contractor's performance pursuant to this Agreement.
- B. The Contractor shall not indemnify, defend, save, and hold CBS harmless from any claims, lawsuits, liability, or attorney's fees and costs, arising from wrongful or negligent acts, errors or omissions solely by the City and Borough of Sitka occurring during the course of or as a result of the performance of this Agreement.
- C. Where claims, lawsuits, or liability, including attorney's fees and costs, arise from wrongful or negligent acts of both CBS and the Contractor, the Contractor shall indemnify, defend, save and hold CBS harmless from only that portion of claims, lawsuits or liability, including attorney's fees and costs, which result from the Contractor's wrongful or negligent acts occurring during the course of or as a result of the Contractor's performance pursuant to this Agreement.

SECTION 9. PAYMENT

- A. For the Contractor's services, as described in Appendix (A), (C) & (D) of this Agreement, compensation will be paid on a time and expense basis, as defined in Appendix (B) unless otherwise mutually agreed upon by both Parties prior to commencing additional work.
- B. The Contractor shall present invoice(s) to the CBS's Authorized Representative at 100 Lincoln St. Sitka Alaska 99835. Such invoice(s) shall describe the work for which payment is sought and shall document expenses and fees to the satisfaction of the CBS's Authorized Representative. Invoices shall not be submitted more frequently than once every 30 days.
- C. CBS's Authorized Representative shall approve, or not approve, and make payment on invoices within 30 days of receipt of invoice. If invoice is not approved the CBS must notify the consultant and may withhold payment on the portion not approved, payment must be made on the approved portion.
- D. The Contractor shall be entitled to no compensation under this Agreement beyond the amount of the CBS's express obligation under Subsection A above.
- E. For the purposes of Section 9 the invoices shall be presented to the CBS designated contacts.

SECTION 10. AUDIT: ACCESS TO RECORDS

- A. The Contractor shall maintain records of performances, communications, documents, correspondence and costs pertinent to this Agreement. CBS's Authorized Representatives shall have the right to examine such records and accounting procedures and practices.
- B. CBS's Authorized Representative shall have the right to examine all books, records, documents and other data of the Contractor related to the negotiation, pricing and performance Agreement, and any change or modification for the purpose of evaluating the accuracy, completeness and currency of the data submitted. The right of examination shall extend to all documents necessary to permit adequate evaluation of the data, computations and projections used.
- C. The materials described in this Section shall be made available at the business office of the Contractor at all reasonable times for inspection, audit or reproduction, for a minimum of three (3) years from the date of final payment under this Agreement and for such longer period, if any, as may be required by applicable statute or other provisions of this Agreement.
- D. If this Agreement is completely or partially terminated, records relating to the services terminated shall be made available to CBS by the Contractor for a minimum of three (3) years from the date of any resulting final settlement.
- E. Records which relate to claims or litigation or the settlement of claims arising out of the performance of this Agreement shall be made available to CBS by the Contractor until such claims or litigation have been concluded.

SECTION 11. RELATIONSHIP OF PARTIES

The Contractor shall perform the obligations in this Agreement as an independent Contractor of CBS. CBS may administer the Agreement and monitor the Contractor's compliance with its obligations. CBS shall not supervise or direct the Contractor other than as provided in this Section.

SECTION 12. ASSIGNMENTS

Unless otherwise allowed by this Agreement or in writing by CBS, any assignment by the Contractor of its interest in any part of this Agreement or any delegation of duties under this Agreement shall be void, and any attempt by the Contractor to assign any part of its interest or delegate duties under this Agreement shall give CBS the right immediately to terminate this Agreement without any liability for work performed.

CBS reserves the right to approve all sub-consultant agreements.

SECTION 13. NONDISCRIMINATION

- A. The Contractor shall not discriminate against any employee or applicant for employment because of race, color religion, national origin, ancestry, age, sex or marital status or mental or physical handicap. The Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, religion, national origin, ancestry, age, sex, or marital status or mental or physical handicap. Such action shall include, without limitation, employment, upgrading, demotion or transfer, recruitment or recruiting, advertising, lay-off or termination, rates of pay or other forms of compensation, and selection for training including apprenticeship. The Contractor agrees to post, in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions for this nondiscrimination clause.
- B. The Contractor shall state in all solicitations or advertisements for employees to work on jobs relating to this Agreement, that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, ancestry, age, or marital status or mental or physical handicap.
- C. The Contractor shall include the provisions of Subsection A of this Section in every subcontract or purchase order under this Agreement, so as to be binding upon every such subcontractor or vendor of the Contractor under this Agreement.
- D. The Contractor shall comply with all applicable Federal, State and Municipal laws concerning the prohibition of discrimination.

SECTION 14. COPYRIGHTS AND RIGHTS IN DATA

All documentation, including notes, drawings, reports and other technical information, hereinafter referred to as work products, produced under this Agreement, except items which have pre-existing copyrights, are the property of the CBS. Payments to the Contractor for services hereunder include full compensation for all work products produced by the Contractor and its subcontractor.

All such subject data furnished by the Contractor pursuant to this Agreement are instruments of the Contractor's services in respect to this particular project. It is understood that the Contractor does not represent such subject data to be suitable for reuse on any other project or for any other purpose. If the CBS reuses the subject data without the Contractor's specific written verification of adaption, such reuse will be at the risk of CBS, without liability to the Contractor. Any such verification of adaption requested in writing by CBS at CBS's sole option will entitle the Contractor to further compensation at rates agreed upon by CBS and Contractor.

SECTION 15. NOTICES

Any notice required pertaining to this Agreement shall be in writing and either personally delivered or mailed by prepaid, first class, registered or certified mail, return receipt requested, to the following addresses:

CITY AND BOROUGH OF SITKA:

Attn: James Dinley
City and Borough of Sitka
100 Lincoln Street
Sitka, Alaska 99835

CONTRACTOR:

Attn: Paul Carson
Currents Consulting
11045 Exeter Ave NE
Seattle, WA 98125

SECTION 16. CLAIMS AND DISPUTES

If the Contractor becomes aware, or reasonably should have become aware, of any act or occurrence which may form the basis of a claim, the Contractor shall immediately notify in writing the CBS's Authorized Representative. If the matter cannot be resolved within seven (7) days, the Contractor shall, within the next fourteen (14) days, submit a written notice of the claim. The Contractor shall, in presenting the claim, include the facts and circumstances surrounding the claim, the specific relief requested including any additional compensation claimed and the basis upon which it was calculated, and the provisions of this Agreement under which the claim is made. This procedure covers all claims by the Contractor for additional compensation or any extension of the time for performance or any dispute regarding a question of fact or interpretation of this Agreement. The Contractor agrees that unless these written notices are provided, the Contractor shall have no entitlement to additional time nor compensation for such act, event or condition.

SECTION 17. SUCCESSORS AND ASSIGNS

CBS and the Contractor each bind himself, his partners, successors, assigns and legal representatives to the other Party to this Agreement and to the partners, successors, assigns and legal representatives of such other Party with respect to all covenants of this Agreement.

SECTION 18. INSURANCE

- A. The Contractor shall at all times during the term of this Agreement, maintain in good standing the insurance described in Subsection B of this Section. Before rendering any services under this Agreement, the Contractor shall furnish the CBS with proof of insurance in accordance with Subsection B of this Section in a form acceptable to the CBS; such proof of insurance shall be incorporated as Appendix C of this Agreement.

B. Type of coverage:

1.	<u>General Liability</u>	\$1,000,000
2.	<u>Workman's Compensation</u>	Statutory
3.	<u>Comprehensive Automotive Liability</u>	\$500,000
4.	<u>Professional Errors and Omissions</u>	\$1,000,000

C. Insurance Notes

1. CBS shall be named as an additional named insured on the required general liability. CBS shall also be granted a full waiver of any rights of subrogation under all required policies including Workmen's Compensation policy. These requirements extend to all subcontractors.
2. All of the policies of insurance so required to be purchased and maintained (or the certificates or other evidence thereof shall contain a provision or endorsement that the coverage afforded will not be canceled, materially changed or renewal refused until at least thirty days prior written notice has been given to CBS by certified mail.

SECTION 19. PERMITS, LAWS AND TAXES

The Contractor shall acquire and maintain in good standing all permits, licenses and other entitlement necessary to its performance under this Agreement. All actions taken by the Contractor under this Agreement shall comply with all applicable statutes, ordinances, rules and regulations. The Contractor shall pay all taxes pertaining to its performance under this Agreement.

SECTION 20. NON-WAIVER

The failure of either Party at any time to enforce a provision of this Agreement shall in no way constitute a waiver of the provision, nor in any way affect the validity of this Agreement or any part of the Agreement, or the right of such Party to enforce each and every provision of the Agreement.

SECTION 21. AMENDMENT

- A. This Agreement shall only be amended, modified or changed by a written amendment, executed by authorized representatives of the Parties, and such amendment shall be attached to this Agreement as an Appendix.

B. For the purposes of any amendment, modifications or change to the terms and conditions of this Agreement, the only authorized representatives of the Parties are:

1. For Contractor – Paul Carson, Principal
2. For CBS – Jim Dinley, Municipal Administrator

C. Any attempt to amend, modify or change this Agreement by either an unauthorized representative or unauthorized means, shall be void.

SECTION 22. SEVERABILITY

Any provision of this Agreement decreed invalid by a court of competent jurisdiction shall not invalidate the remaining provisions of the Agreement.

SECTION 23. JURISDICTION - CHOICE OF LAW

Any civil action rising from this Agreement shall be brought in the Alaska Superior Court First Judicial District at Sitka. The law of the State of Alaska shall govern the rights and obligations of the Parties under this Agreement.

SECTION 24. INTEGRATION

This Agreement and all appendices and amendments embody the entire agreement of the Parties. There are no promises, terms, conditions or obligations other than those contained in this Agreement.

This Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the Parties.

IN WITNESS, the Parties execute this Agreement in duplicate on the date shown below, and by their signatures, confirm they are authorized to sign this Agreement.

CITY AND BOROUGH OF SITKA

CONTRACTOR

James Dinley, City Administrator

Paul Carson

Date: _____

Date: _____

EIN NO. _____

ATTEST:

Colleen Pellett, MMC
Municipal Clerk

Date: _____

David L. Wolff, Finance Director

Date: _____

CERTIFIED FUNDS AVAILABLE:

Fund Number: _____

Account Number: _____

Amount of Contract: **NTE \$250,000**
(renewable as required by the CBS)

APPROVAL OF CONTRACT FORM

Theresa Hillhouse
Municipal Attorney

Date: _____