



**City of Valdez  
Agreement for Professional Services**

THIS AGREEMENT (“Agreement”) between the CITY OF VALDEZ, ALASKA, (“City”), VALDEZ CITY SCHOOL DISTRICT (“City Schools”) and PARKER, SMITH AND FEEK, INC., an Alaska corporation (“Consultant”) effective on the 1<sup>st</sup> day of February, 2018.

All work under this Agreement shall be referred to by the following:

**Project: Health Insurance Broker/Consultant  
Project No: n/a  
Contract No.: 1349  
Cost Code: n/a**

Consultant’s project manager under this Agreement is Brian Carlson.

Consultant’s project manager may not be changed without the written consent of the City and City Schools.

City’s project manager is Brian Carlson.

City Schools’ project manager is Amber Cockerham.

**ARTICLE 1. Scope of Work**

1.1 The scope of work to be performed hereunder is more completely described in the Consulting Agreement attached hereto as Appendix A and incorporated herein by reference.

**ARTICLE 2. Compensation**

2.1 Compensation shall be paid in accordance with the Consulting Agreement attached hereto as Appendix A and incorporated herein by reference.

**ARTICLE 3. Period of Performance**

3.1 The period of performance under this Agreement shall be in accordance with the Consulting Agreement attached hereto as Appendix A and incorporated herein by reference.

**Agreement for Professional Services**  
**Project: Health Insurance Broker/Consultant**  
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ARTICLE 4. Subconsultants

4.1 The Consultant shall be responsible for the performance of all services required under this Agreement, except as may otherwise be agreed to in writing between the parties.

ARTICLE 5. Insurance

5.1 Consultant shall maintain the following minimum limits of insurance coverage during the term of this Agreement:

<u>Type of Insurance</u>	<u>Limits of Liability</u>	
	<u>Each Occurrence</u>	<u>Aggregate</u>
Workers' Compensation	Statutory	Statutory
Employers' General	\$100,000	\$300,000
Commercial General Liability	\$100,000	\$300,000
Comprehensive Automobile Liability	\$100,000	\$300,000
Professional Liability	\$500,000	\$500,000

ARTICLE 6. Appendices

6.1 The following appendices are attached to this agreement and incorporated herein:

<u>Appendix</u>	<u>Title</u>
A	Consulting Agreement
B	General Conditions

ARTICLE 7. Miscellaneous

7.1 To the extent that the provisions of the Consulting Agreement attached hereto as Appendix A are inconsistent with any other part of this Agreement, the conflicting other part of this Agreement shall control.

**Agreement for Professional Services**  
**Project: Health Insurance Broker/Consultant**  
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**Contract No. 1349**  
**Cost Code: n/a**

IN WITNESS WHEREOF, the parties to this presence have executed this Agreement in two (2) counterparts, each of which shall be deemed an original, in the year and day first mentioned above.

**PARKER, SMITH AND FEEK, INC.**

**CITY OF VALDEZ, ALASKA**

BY: \_\_\_\_\_

\_\_\_\_\_  
Ruth E. Knight, Mayor

DATE: \_\_\_\_\_

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

TITLE: \_\_\_\_\_

**ATTEST:**

FEDERAL ID #: \_\_\_\_\_

\_\_\_\_\_  
Sheri L. Pierce, MMC, City Clerk

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

\_\_\_\_\_  
Mailing Address

\_\_\_\_\_  
Elke Doom, City Manager

\_\_\_\_\_  
City, State, Zip Code

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

\_\_\_\_\_  
Signature of Company Secretary or Attest

**RECOMMENDED:**

\_\_\_\_\_  
Brian Carlson, Finance Director

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

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

**VALDEZ CITY SCHOOL DISTRICT**

**APPROVED AS TO FORM:**

Brena, Bell & Clarkson, P.C.  
Attorneys for City of Valdez

BY: \_\_\_\_\_

DATE: \_\_\_\_\_

TITLE: \_\_\_\_\_

\_\_\_\_\_  
Anthony S. Guerriero

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

# CONSULTING AGREEMENT



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This Consulting Agreement (this "Agreement") is made on this 16<sup>th</sup> day of January, 2018, by and between Parker, Smith and Feek, Inc., an Alaska corporation ("PS&F"), the City of Valdez and the Valdez City School District (collectively "CITY AND CITY SCHOOLS" or "Client").

CITY AND CITY SCHOOLS wish to enter into an employee benefits consulting relationship with PS&F with the terms and conditions set forth in this Agreement, and PS&F is willing to accept such a consulting relationship.

In consideration of the fee compensation outlined in **Exhibit 2**, and the terms and conditions contained in this Agreement, CITY AND CITY SCHOOLS and PS&F agree as follows:

**1. Engagement**

CITY AND CITY SCHOOLS engage PS&F as its employee benefits consultant as stated in this Agreement and PS&F accepts this engagement. During the time that PS&F is performing services for CITY AND CITY SCHOOLS under this Agreement, and for all purposes outlined in this document, PS&F's status will be that of an independent contractor of CITY AND CITY SCHOOLS.

**2. Term and Termination**

The Effective Date of this Agreement is February 1, 2018; the term of PS&F's engagement under this Agreement (the "Consulting Period") will begin as of the Effective Date and will remain in effect until a mutually agreed update by both parties. Either party may terminate this Agreement by giving the other party at least thirty (30) days written notice of its intent to terminate.

**3. Scope of Services**

PS&F will provide employee benefits consulting services to CITY AND CITY SCHOOLS and consult with its employees, representatives, agents and contractors as to such matters as more fully described in **Exhibit 1** attached to this Agreement and incorporated herein. PS&F will perform other services as mutually agreed to in writing by CITY AND CITY SCHOOLS and PS&F.

PS&F warrants that they will provide adequate staffing with individuals who are qualified to perform the scope of services outlined in **Exhibit 1**. Changes to Client consulting team will not be made without mutual agreement between Client and PS&F.

**4. Performance and Scope**

(a) PS&F Not a Fiduciary under ERISA. To the extent that any of CITY AND CITY SCHOOLS's employee benefit plans are subject to the Employee Retirement Income Security Act, (ERISA), or similar state or federal legislation, as amended and in spite of any other provision of this Agreement to the contrary, the parties agree and acknowledge that:

- (i) PS&F's services under this Agreement are not intended in any way to impose on PS&F or any of its affiliates a fiduciary status under the

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Employee Retirement Income Security Act of 1974, as amended (“ERISA”); and

- (ii) this Agreement does not provide PS&F, and CITY AND CITY SCHOOLS will not cause or permit PS&F to assume, without prior written consent of PS&F, any:
  - (A) discretionary authority or discretionary control respecting management of any “employee benefit plan” within the meaning of Section 3(3) of ERISA (an “ERISA Plan”),
  - (B) authority or control respecting management or disposition of the assets of any ERISA Plan, or
  - (C) discretionary authority or discretionary responsibility in the administration of any ERISA Plan.
- (b) Reliance. In the performance of its duties, PS&F may rely upon, and will have no obligation to independently verify the accuracy, completeness, or authenticity of, any written instructions or information provided to PS&F by CITY AND CITY SCHOOLS or its designated representatives and reasonably believed by PS&F to be genuine and authorized by CITY AND CITY SCHOOLS.
- (c) No Practice of Law. PS&F will not be obligated to perform, and CITY AND CITY SCHOOLS will not request performance of, any services which may constitute unauthorized practice of law. CITY AND CITY SCHOOLS will be solely responsible for obtaining any legal advice, review or opinion as may be necessary to ensure that its own conduct and operations, including the engagement of PS&F under the scope and terms as provided herein, conform in all respects with applicable State and Federal laws and regulations (including ERISA, the Internal Revenue Code, State and securities laws and implementing regulations) and, to the extent that CITY AND CITY SCHOOLS have foreign operations, any applicable foreign laws and regulations.
- (d) Subcontractors. PS&F may cause another person or entity, as a subcontractor of PS&F, to provide some or all of the services required to be performed by PS&F hereunder. If subcontractors are used, PS&F will disclose to CITY AND CITY SCHOOLS, in writing the nature of PS&F’s relationship with the subcontractor.
- (e) Conflict of Interest. PS&F’s engagement under this Agreement will not prevent it from taking similar engagements with others who may be competitors of CITY AND CITY SCHOOLS. PS&F will, nevertheless, exercise care and diligence to prevent any actions or conditions which could result in a conflict with CITY AND CITY SCHOOLS’s best interest.
- (f) Acknowledgements. In connection with PS&F’s services under this Agreement, CITY AND CITY SCHOOLS agrees that:

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- (i) Although PS&F will apply its professional judgment to access those insurance companies it believes are best suited to insure CITY AND CITY SCHOOLS's risks, there can be no assurance that the insurance companies PS&F has accessed are the only or are the best suited ones to insure CITY AND CITY SCHOOLS's risks.
- (ii) The final decision to choose any insurance company has been made by CITY AND CITY SCHOOLS in their sole and absolute discretion. CITY AND CITY SCHOOLS understand and agree that PS&F does not take risk, and that PS&F does not guarantee the financial solvency or security of any insurance company.
- (iii) The compensation payable to PS&F is solely for the services set forth under this Agreement, including Exhibit 1.
- (iv) CITY AND CITY SCHOOLS is responsible for immediate payment of PS&F's fees and payment of premiums for all insurance placed by PS&F on CITY AND CITY SCHOOLS's behalf. If any amount is not paid in full when due, including premium payments to insurance companies, that nonpayment will constitute a material breach of this Agreement that will allow PS&F to immediately terminate this Agreement, at its option, without notice to CITY AND CITY SCHOOLS, and may allow an insurance company for CITY AND CITY SCHOOLS's risks to cancel any applicable policies in accordance with the terms of such policies.

## 5. Confidentiality

- (a) CITY AND CITY SCHOOLS Information. PS&F recognizes that certain confidential information may be furnished by CITY AND CITY SCHOOLS to PS&F in connection with its services pursuant to this Agreement ("Confidential Information"). PS&F agrees that it will disclose Confidential Information only to those who, in PS&F's reasonable determination, have a need to know such information. Confidential Information will not include information that (i) is or becomes publicly available other than as a result of a breach of this Agreement by PS&F, or (ii) is or can be independently acquired or developed by PS&F without violating any of its obligations under this Agreement. However, disclosure by PS&F of any Confidential Information pursuant to the terms of a valid and effective subpoena or order issued by a court of competent jurisdiction, judicial or administrative agency or by a legislative body or committee will not constitute a violation of this Agreement.
- (b) HIPAA Privacy. In spite of Sections 5(a) above, PS&F and CITY AND CITY SCHOOLS will each comply with any prohibitions, restrictions, limitations, conditions, or other requirements to the extent they apply to them directly or indirectly pursuant to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and its implementing regulation concerning privacy of individually identifiable health information as set forth in 45 CFR Parts 160-

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164, as amended from time to time. As required under HIPAA, Client and PS&F will enter into a separate Business Associate Agreement.

- (c) Use of Names; Public Announcements. No party will use, in any commercial manner, the names, logos, trademarks or other intellectual property of the other party without its prior written consent. Except as may be required by law, no party will issue any press releases or make any public announcements of any kind regarding the relationship between the parties without the other party's prior consent.

## 6. Notices

Any notices, requests and other communications pursuant to this Agreement will be in writing and will be deemed to have been duly given, if delivered in person or by courier, telegraphed, by facsimile transmission or by electronic transmission (e-mail) (provided that the sender received electronic confirmation of receipt by recipient) or sent by express, registered or certified mail, postage prepaid, FEDEX, or UPS addressed as follows:

**If to CITY:**

Brian Carlson, Finance Director  
City of Valdez, AK  
PO Box 307  
212 Chenega St.  
Valdez, AK 99686  
[BCarlson@ci.valdez.ak.us](mailto:BCarlson@ci.valdez.ak.us)  
office: 907-834-3461

**If to CITY SCHOOLS:**

Amber Cockerham  
Director of Business Services  
Valdez City School District  
PO Box 398, 1112 W Klutina  
Valdez, AK 99686  
(907) 834-4700 (work)  
(907) 835-4964 (fax)

**If to PS&F:**

Parker, Smith & Feek, Inc.  
3800 Centerpoint Drive, Suite 601  
Anchorage, AK 99503  
Phone: 907-562-2225  
Consultant: Colleen Savoie  
Consultant email: [cmsavoie@psfinc.com](mailto:cmsavoie@psfinc.com)

Either party may, by written notice to the other, change the address to which notices to such party are to be delivered or mailed.

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## 8. *Miscellaneous*

- (a) Severability. The various provisions and sub-provisions of this Agreement are severable and if any provision or sub-provision or part thereof is held to be unenforceable by any court of competent jurisdiction, then such enforceability will not affect the validity or enforceability of the remaining provisions or sub-provisions or parts thereof in this Agreement.
- (b) Entire Agreement; Amendment. This Agreement, including all exhibits hereto, constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, whether oral or written, between the parties regarding the subject matter hereof. This Agreement may be modified or amended only by a written instrument executed by both parties.
- (c) Governing Law; Rule of Construction. This Agreement will be construed, interpreted and enforced in accordance with the laws of the State of Alaska without giving effect to the choice of law principles thereof or any canon, custom or rule of law requiring construction against the drafter.
- (d) Successors. This Agreement shall be binding upon and shall inure to the benefit of all assigns, transferees and successors in the interest of the parties hereto.
- (e) Counterparts. This Agreement may be executed by the parties in several counterparts, each of which shall be deemed to be an original copy.
- (f) Survival of Provisions. Sections 5 and 6 will survive the termination of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Consulting Agreement to be duly executed on the date first written above.

## CITY

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## CITY SCHOOLS

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

## Parker, Smith & Feek, Inc.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



## Exhibit 1 Scope of Services

### Strategic Planning

- Assist in defining and prioritizing strategic health & welfare plan objectives
- Assist in the evaluation of internal technical capabilities to determine increased/improved applications for administrative processes
- Identify underperforming vendor relationship
- Assess carrier/vendor customer service levels
- Develop project action timelines
- Periodic review of employee demographics

### Financial Analysis

- Perform financial review and analysis of experience reports
- Assess current funding arrangements for appropriateness and make recommendations as needed
- Evaluate current costs of benefits versus effectiveness of plan design
- Review managed care expense and administrative service fees (where applicable)
- Analyze utilization data and cost containment results of medical management
- Forecast projected benefit costs
- Evaluate excess loss coverage
- Prepare experience reviews as directed
- Assist in developing appropriate contributions levels
- Perform trend analysis from available diagnostic and normative data

### Renewal

- Analyze and negotiate renewals with vendors
- Review vendor renewal methodology, experience data, and assumptions for accuracy and logic
- Compare vendor renewal with projections
- Develop and present alternative plan designs and provisions with associated financial and member impact analysis
- Finalize program design, rates, and fees

### Marketing

- Develop plan specification based on feedback from strategic planning meeting
- Jointly determine list of vendors best suited to meet plan goals and objectives
- Develop vendor performance guarantees with monetary penalties as necessary
- Assist in the review of current electronic data transfer processes with vendors
- Perform pre-marketing evaluation of census data and administrative needs
- Evaluate carrier client support services
- Evaluate vendor financial ratings and accreditation
- Review provider network accessibility/employee match

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- Perform critical analysis and comparison of plan features and costs
- Assist in conducting finalist negotiations
- Prepare and submit a summary report with recommendations to management
- Assist in the notification of all bidders as to the final outcome

## **Annual Enrollment**

- Assist in the planning of employee meetings
- Provide guidance on delivering a comprehensive communication strategy
- Introduce workable technology solutions for communications and enrollment where appropriate
- Coordinate vendor sponsored communication material

## **Compliance**

- Provide legislative updates as needed
- Review plan documents and summary plan descriptions for regulatory compliance from a non-legal perspective (client would need to retain legal advice)

## **Account Management Services**

- Serve as a liaison between the client and all insurance companies/vendors
- Monitor administrative process and assist in the smooth resolution of elevated issues
- Act as an employee/employer advocate in the resolution of ongoing claims issues
- Set and monitor vendor goals and performance and performance and report findings at quarterly meetings
- Review plan performance as directed
- Review and provide guidance on diagnostic data
- Identify and monitor potential catastrophic claims
- Review large claims management activity
- Review network utilization

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## ***Exhibit 2 Fee Compensation***

Subject to any changes in services that may be mutually agreed to by both parties, Parker, Smith and Feek, Inc. will receive an annual compensation fee of \$55,000 per year, or \$4,853.33 per month for its services under this agreement. The fee will increase by 3% per year.

Our compensation includes travel expenses for two trips to Valdez, Alaska each year. Expenses incurred for additional travel at your request will be billed to you separately.

Our Fee or the commissions we are entitled to receive may be adjusted over time or revised if you request a change in the coverages and/or services during the Term of this agreement. Any change in coverages, services or compensation must be documented via written agreement.

**Agreement for Professional Services**  
**Project: Health Insurance Broker/Consultant**  
**Project No. n/a**  
**Contract No. 1349**  
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## **Appendix B**

### **General Conditions**

#### I. Definitions:

Basic Services: The identified work elements set forth in the Consulting Agreement attached hereto as Appendix A and incorporated herein by reference, for which the Consultant will receive prime compensation.

Change: An addition to, or reduction of, or other revision in the scope, complexity, character, or duration of the services or other provisions of this Agreement.

City's Project Manager: City's representative in charge of the project(s) and the consultant's primary point of contact for notice(s) to proceed, invoices, correspondence and interface with the City.

Consultant's Project Manager: The Consultant's representative in charge of the project(s) who is directly responsible and engaged in performing the required services.

Extra Services: Any services or actions required of the Consultant above and beyond provisions of this Agreement.

Funding Agency(s): The agency(s) of the federal, state or municipal government which furnishes funds for the Consultant's compensation under this Agreement.

Optional Services: Identifiable and/or indeterminate work elements set forth in this Agreement, which are separate and distinct from those covered by the prime compensation, which the City and City Schools have the option to authorize.

Prime Compensation: The dollar amount paid to the Consultant for basic services set forth in this Agreement. Prime compensation does not include payment for any optional or extra services.

Scope of Work: Basic and optional services required of the Consultant by provisions of this Agreement.

Subconsultant: Any person, firm, corporation, joint venture, partnership or other entity engaged through or by Consultant.

#### II. Information and Services from Others:

Provisions of information, data, budget, standards, and other materials by the City and City Schools does not warrant their accuracy or quality nor provide approval of omissions or oversights or of any non-compliance with applicable regulation.

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The City and City Schools may, at their election, or in response to a request from the Consultant, furnish information or services from other Consultants. If, in the Consultant's opinion, such information or services are inadequate, the Consultant must notify the City and City Schools of the specific service or material deemed inadequate and the extent of the inadequacy prior to use in the performance of this Agreement. Unless so notified by the Consultant, the City and City Schools may assume the information or services provided are adequate.

### III. Indemnification

To the fullest extent permitted by law, the Consultant shall indemnify, defend, and hold harmless the City and City Schools from and against any claim of, or damages, losses, expenses and liability (including but not limited to fees and charges of engineers, architects, attorneys and other professionals and court, mediation and/or arbitration costs) for negligent acts, errors, and omissions of the Consultant, Subconsultant, persons or organizations directly or indirectly employ or engaged by Consultant or Subconsultant under this Agreement. The Consultant is not required to indemnify, defend, or hold harmless the City and City Schools for a claim of, or liability for the independent negligent acts, errors, and omissions of the City or City Schools. If there is a claim of, or liability for a joint negligent act, error, or omission of the Consultant, City Schools and/or the City, the indemnification, defense, and hold harmless obligation of this provision shall be apportioned on a comparative fault basis. In this provision, "Consultant", "City Schools" and "City" include the employees, agents, and contractors who are directly responsible, respectively, to each. In this provision, "independent negligent acts, errors, and omissions" means negligence other than in the City's or the City Schools' selection, administration, monitoring, or controlling of the Consultant, or in approving or accepting the Consultant's work.

### IV. Insurance:

The Consultant shall purchase and maintain professional liability insurance coverage with limits not less than those specified herein for the duration of the Agreement. The professional liability insurance shall be maintained in force for one year following the date of final payment for the work performed herein. The amount of the contract may be renegotiated if the insurance premiums for the following year are raised over those in force when the contract was let. Should the professional liability insurance become unavailable during the one year period following the date of final payment, the insurance coverage may be renegotiated between the owner and the Consultant. Insurance coverage shall provide for negligent acts, errors or omissions which the Consultant, employees of the Consultant or Subconsultant may make which produce loss or liability to the Owner and for the protection against loss which results from reliance on the Consultant's products, reports or a combination thereof. Failure to comply with the provision for maintaining the insurance in effect for one year following the date of final payment may be cause for the Owner to refrain from dealing with the Consultant in the future.

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V. Payments:

Payments shall be made in accordance with the Consulting Agreement attached hereto as Appendix A and incorporated herein by reference.

Under no circumstances will City or City Schools pay for charges in excess of any lump sum or not-to-exceed contract amount incurred prior to written authorization by City and City Schools for an increase in the contract amount. Written request for an increase in the contract amount shall be given to City and City Schools with sufficient notice to allow City and City Schools to issue formal approval prior to the incurring of excess charges without delay to the work.

The sum of payments shall not exceed the allowable compensation stated in this Agreement. In the event items on an invoice are disputed, payment on those items will be withheld until the dispute is resolved.

VI. Changes:

Changes in the Scope of Work or of services may only be made by written amendment signed by and City Schools, City and Consultant.

If at any time the City and City Schools through their authorized representatives, either orally or in writing, requests or issues instructions for extra services or otherwise directs actions which conflict with any provisions of this Agreement, the Consultant shall, within ten (10) days of receipt and prior to pursuing such instructions, notify the City and City Schools in writing, and to the extent possible, describe the scope and estimated cost of any extra services. Unless so notified by the Consultant, the City and City Schools may assume such instructions have not changed any provisions of this Agreement nor require additional compensation. No additional payments shall be made to the Consultant without such notice.

VII. Audits and Records:

The Consultant shall maintain records of all performances, communications, documents, and correspondence pertinent to this Agreement, and, subject to HIPAA privacy and security rules, the City of its authorized representatives shall have the right to examine such records and accounting procedures and practices.

The materials described in the Article shall be made available at the business office of the Consultant, at all reasonable times, for inspection, audit or reproduction by City, City Schools or any funding agency, for a minimum of three years from the date (a) of final payment under this Agreement (b) final payment upon claims or disputes, and for such longer period, if any, as may be required by applicable statute or other provisions of this Agreement.

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VIII. Inspections:

The City, City Schools or any funding agency, has the right to inspect, in the manner and at reasonable times it considers appropriate during the period of this Agreement, all facilities, materials and activities of the Consultant in the performance of this Agreement.

IX. Termination or Suspension:

This Agreement may be terminated by either party upon thirty (30) day's written notice if the other party fails substantially to perform in accordance with its terms through no fault of the party initiating the termination (default termination). If the City or City Schools terminates this Agreement, the City and City Schools will pay the Consultant a sum equal to the percentage of work completed that can be substantiated by the Consultant, and City Schools and the City. If the City and City Schools becomes aware of any fault or defect in the work of the Consultant or nonconformance with this Agreement, the City or City Schools will give prompt written notice thereof to the consultant. Should the Consultant's services remain in nonconformance to this Agreement, the percentage of total compensation attributable to the nonconforming work may be withheld.

The City and City Schools at any time may terminate (convenience termination) or suspend this Agreement for its own needs or convenience, by giving Consultant at least thirty (30) days written notice of same

If state or federal funds support this Agreement, settlement in the event of default or convenience termination must be approved by the City, City Schools and any appropriate state or federal agency.

X. Officials Not to Benefit:

No member of or delegate to Congress, United States Commissioner or other officials of federal, state or local government shall be admitted to any share or part of this Agreement or any benefit to arise therefrom. The Consultant warrants that it has not employed or retained any organization or person, other than a bona fide employee working for the Consultant, to solicit or secure this Agreement and that it has not paid or agreed to pay any consideration contingent upon or resulting from this Agreement.

XI. Independent Consultant:

Except in those instances specifically provided for herein, the Consultant and any of its agents and employees shall act in an independent capacity and not as agents of the City or City Schools in the performance of the Agreement.

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XII. Ownership of Work Products:

Work products produced under this Agreement, except items which have preexisting copyrights, are the property of the City and City Schools. Payments to the Consultant for services hereunder includes full compensation for all work products, field notes, interim work, reports, and other materials produced by the Consultant and its Subconsultants pertaining to this Agreement. Any re-use the City or City Schools might make of these work products shall be at the City's and City Schools' own risk and the Consultant shall not incur any liability for the City's or City Schools' re-use of the work products on any project for which they were not intended.

XIII. Subconsultants, Successors and Assigns:

The City and City Schools must concur in the selection of all Subconsultants for professional services to be engaged in performance of this Agreement.

As soon as practicable after the award of the contract, the Consultant shall furnish to the City and City Schools in writing the names of the proposed Subconsultants for each of the principal portions of the work. The City and City Schools shall promptly notify the Consultant if it has reasonable objection to any of the propose Subconsultants. Failure of the City and City Schools to give prompt notification shall constitute notice of no reasonable objection. The Consultant shall not contract with any Subconsultant to whom the City or City Schools has made reasonable objection.

If this Agreement includes named firms or individuals, then such firms or individuals shall be employed for the designated services, unless the Agreement is changed by amendment.

The Consultant shall not assign, sublet or transfer any interest in this Agreement without the prior written consent of the City and City Schools.

The Consultant binds itself, its partners, its Subconsultants, assigns and legal representatives to this Agreement and to the successors, assigns and legal representatives of the City and City Schools with respect to all covenants of this Agreement.

The Consultant shall include provisions appropriate to effectuate the purposes of this Appendix B in all subcontracts executed to perform services under this Agreement which subcontract amount exceed \$50,000.

XIV. Claims and Disputes:

If the Consultant becomes aware, or reasonably should have become aware of any act or occurrence which may form the basis of a claim, the consultant shall immediately inform the City's and City Schools' Project Managers. If the matter cannot be resolved within seven (7)

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days, the Consultant shall with the next fourteen (14) days, submit written notice of the facts which may form the basis of the claim.

In addition, all claims by the Consultant for additional compensation or an extension of the time for performance of any dispute regarding a question of fact or interpretation of this Agreement shall be presented in writing by the Consultant to the City's and City Schools' Project Managers with the next sixty (60) days unless the Project Manager agrees in writing to an extension of time for good cause shown. Good cause shown includes time for the Consultant to prepare the claim, and the City's and City Schools' Project Manager will grant an extension of not more than sixty (60) days for preparation of the claim. The Consultant agrees that unless these written notices are provided, the Consultant shall not be entitled to additional time or compensation for such act, event or condition. The Consultant shall in any case continue diligent performance under this Agreement. The Consultant shall in any case continue to expeditiously accomplish disputed services pending future resolution of the Consultant's claim unless notified by the City and City Schools to stop work on the disputed matter.

In presenting any claim, the Consultant shall specifically include, to the extent then possible, the following:

- The provisions of this Agreement which apply to the claim and under which it is made.
- The specific relief requested including any additional compensation claimed and the basis upon which it was calculated and/or the additional time requested and the basis upon which it was calculated.
- The claim will be acknowledged in writing by the City's and City Schools' Project Manager. If the claim is not disposed of within sixty (60) days of acknowledgement, provided additional time is not granted in writing by the City's Contract Officer and City Schools, the claim will be decided by the City's Contract Officer. The Contract Officer reserves the right to make a written request to the Consultant at any time for additional information which the Consultant may possess to support the claims(s). The Consultant agrees to provide the City such additional information within thirty (30) days of receipt for such a request. The City's Contract Officer will allow a reasonable time extension for good cause if presented in writing prior to the expiration of the thirty (30) days. Failure to furnish such additional information constitutes a waiver of claim.
- The Consultant will be furnished a written, signed copy of the Contract Officer's decision within ninety (90) days of receipt of all necessary information from the Contractor upon which to base the decision. The Contract Officer's decision is final and conclusive unless fraudulent as to the claim unless, with thirty (30) days of receipt of the decision, the Consultant delivers a notice of appeal to the City Manager. The notice of appeal shall

**Agreement for Professional Services**  
**Project: Health Insurance Broker/Consultant**  
**Project No. n/a**  
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**Cost Code: n/a**

include specific exceptions to the City's decision including specific provision of this Agreement which the Consultant intends to rely upon on appeal. General assertions that the City's decision is contrary to law or to fact are not sufficient.

- The decision of the City Manager will be rendered within 120 days of notice of appeal and the decision constitutes the exhaustion of contractual and administrative remedies.

XV. Extent of Agreement:

This Agreement, including appendices, represents the entire and integrated Agreement between the City, City Schools and the Consultant and supersedes all prior negotiations, representations or agreements, either written or oral.

Nothing contained herein may be deemed to create any contractual relationship between the City, City Schools and any Subconsultants or material suppliers; nor may anything contained herein be deemed to give any third party a claim or right of action against the City, City Schools or the Consultant which does not otherwise exist without regard to this Agreement.

This Agreement may be changed only by written amendment executed by the City, City Schools and the Consultant.

All communications that affect this Agreement must be made or confirmed in writing.

The Consultant receiving final payment will execute a release, if required, relinquishing in full all claims against the City and City Schools arising out of or by reason of the services and work products furnished under this Agreement.

The Consultant shall pay all federal, state and local taxes incurred by the Consultant and shall require their payment by any Subconsultant or any other persons in the performance of this Agreement.

XVI. Governing Laws:

This Agreement is governed by the laws of the State of Alaska and such federal and local laws and ordinances as are applicable to work performed. Any litigation arising out of the terms of this Agreement shall be brought in the Third Judicial District, Superior or District Court at Valdez.

XVII. Minimum Wages:

Minimum wages as determined by the Department of Labor shall be paid to all persons performing work on this Contract.