

THIS AMENDMENT NO. 2 TO
MANAGEMENT AND OPERATING AGREEMENT
BETWEEN THE CITY OF VALDEZ
AND
PROVIDENCE HEALTH & SERVICES – WASHINGTON
DBA PROVIDENCE HEALTH & SERVICES ALASKA

This Amendment No. 2 (“Amendment No. 2”) to the Management and Operating Agreement (“Agreement”) between the City of Valdez (“City”) and Providence Health & Services-Washington dba Providence Health & Services Alaska (“Providence”) is made this 17th day of December 2019. Providence and the City may be referred to in this Amendment as a “Party” or, collectively, as the “Parties.”

RECITALS

WHEREAS, the City and Providence are Parties to a Management and Operating Agreement (“Agreement”) which became effective January 1, 2015, amended by Amendment No. 1 on January 1, 2016, and which collectively expires December 31, 2019; and

WHEREAS, Section 2 of the Agreement states: “The Parties may extend the Term for an additional five (5) years based upon mutual written agreement. Such renewal (if applicable) shall be on the same terms and conditions of this Agreement.”; and

WHEREAS, the Parties seek to improve upon the efficiency of their respective budgeting processes, which includes meeting informational, reporting, timeliness and other expectations of the City; and

WHEREAS, the Parties seek to clarify and streamline the performance of the operating and capital budgets under the Agreement.

AMENDMENT

NOW THEREFORE, the Parties hereby agree as follows:

1. **Extension of Term.** Subject to the Parties’ respective termination rights pursuant to the Agreement, the term of the Management and Operating Agreement, inclusive of all amendments heretofore and foregoing, is hereby extended through December 31, 2024.
2. **Capitalized Terms.** All capitalized terms in this Amendment shall have the same meaning given to such terms in the Agreement unless otherwise specified in this Amendment.
3. **Revised Section 4(d):** Section 4(d) to the Agreement is hereby amended and replaced in its entirety to read:
 - (d) **Alterations.** Providence shall have the right to make alterations, additions, improvements and renovations to the Health Care Facilities, the costs of which shall be recoverable as Reimbursable Expenses, provided: 1) Providence shall notify the City with respect to any such work requiring any substantial expenditure; 2) Such work shall not adversely affect the structural integrity of the Health Care Facilities or diminish the value thereof; 3) Any such work shall be performed in a good and workmanlike manner and in conformance with all applicable building, fire, health regulations; 4) The City shall have approved in

writing such work in advance, such approval to not be unreasonably withheld; and 5) Such work shall comply with the Little Davis-Bacon Act as set forth in Alaska Statutes Title 36, if applicable.

4. **Revised Section 5(e):** The first sentence of Section 5(e) to the Agreement is hereby amended and replaced in its entirety as follows:

- (e) By no later than fourteen (14) days prior to the Hospital's scheduled City Council budget work session or other budget hearing, or October 15th, whichever is later, of each Operating Year during the term of this Agreement, Providence shall submit and recommend to the City an operating and capital budget for the Health Care Facilities.

5. **Revised Section 6(a):** Section 6(a) to the Agreement is hereby amended and replaced in its entirety as follows:

- (a) Providence will pay Reimbursable Expenses as they become due, using funds from the Accounts. Providence will assure that all Reimbursable Expenses will be paid consistent with the various terms and conditions of vendors, as well as the annually approved operating and capital budgets or other express City approvals, and applicable regulations.

Notwithstanding the major maintenance or capital improvement projects elected by the City to manage, or agreed upon by the Parties for the City to manage, upon approval of the annual capital budget, Providence may purchase the approved items subject to its internal procurement policies. Capital items not anticipated in the budget with a cost not in excess of \$40,000, require approval from the City manager or designee prior to purchase. Capital items not anticipated in the budget with a cost in excess of \$40,000 require approval from City Council. Capital items are defined as those costing \$5,000 or more. All capital purchases procured in this manner will be the property of the City.

6. **Continuation of Agreement.** Except as specifically amended pursuant to the foregoing, the Agreement shall continue in full force and effect in accordance with the terms in existence as of the date of this Amendment. After the date of this Amendment, any reference to the Agreement shall mean the Agreement as amended by this Amendment.

The Parties have executed this Amendment on the date first above written.

**Providence Health & Services
-Washington dba Providence Health
& Services Alaska**

City of Valdez, Alaska, Authorized

Signature

Sharon Scheidt, Mayor Pro-Tempore

Name

Date

Title

Attested:

Date

Sheri L. Pierce, MMC, City Clerk

Mailing Address

Date

City, State, Zip Code

Recommended:

Federal I.D. or S.S.N.

Marc Detter, City Manager

Date

Corporate Secretary

Approved as to Form:
Brena, Bell & Clarkson, P.C.

Attest: _____
Corporate Secretary

Jon S. Wakeland

Date