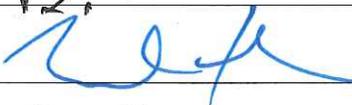
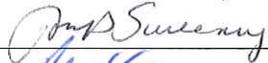




# CITY AND BOROUGH OF SITKA APPROVED PURCHASING PROCEDURE

Approved Version - Rev 0  
Dated 5-2-2016

REQUIRED?	APPROVALS (in sequence below)		DATE RECEIVED	DATE APPROVED
<input checked="" type="checkbox"/>	ELECTRIC DEPARTMENT DIRECTOR		9/16/16	
<input checked="" type="checkbox"/>	PUBLIC WORKS DIRECTOR		9/20/16	9/22/16
<input checked="" type="checkbox"/>	CHIEF FINANCE & ADMINISTRATIVE OFFICER		10/5/16	10/5/16
<input checked="" type="checkbox"/>	MUNICIPAL ADMINISTRATOR		10/6/16	10/6/16



# PURCHASING PROCEDURE

Rev 0

Dated 5-2-2016

## TABLE OF CONTENTS:

### 1. Goods

- 1.a \$0 - \$2,500
- 1.b \$2,500 - \$25,000
- 1.c \$25,000 - \$50,000
- 1.d >\$50,000

### 2. Service

- 2.a \$0 - \$2,500
- 2.b \$2,500 - \$25,000
- 2.c \$25,000 - \$50,000
- 2.d >\$50,000

### 3. Emergency Procurement

### 4. Travel

### 5. Central Garage

## APPENDICES:

- A - Standard Terms and Conditions
- B1, B2 - Purchase Request Forms, B1-Goods, B2-Services
- C - Department Designees
- D - Exception to Standard Contracts Form
- E - Insurance Requirements
- F - Standard Contract, Service, PSA
- G - Quote Request Form

## 1. GOODS

### a. \$0 - \$2,500 Goods:

#### Exempt from Competitive Requirements (see PR Form checkbox)

- i. Examples: Equipment rental, materials, etc.
- ii. Requirement: Purchaser to perform a price check by requesting at least two quotes from vendors based on the CBS Standard Terms and Conditions. There is a 4% price advantage for local vendors. No proof of the price check is required, and verbal or posted prices are acceptable.
- iii. Procurement Method: P-Card Credit is preferred however a PO may be used. Procurement using a revolving account is discouraged.

- iv. Paperwork: Itemized receipt with Purchaser name to Department Admin for Department Designee approval.
- v. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department.

**b. \$2,500 - \$25,000 Goods:**

**NOT exempt from Competitive Requirements (see PR Form checkbox)**

- i. Examples: Equipment rental, materials, etc.
- ii. Requirement: Purchaser to begin filling out the *PR Form* in consultation with Department Designee. Department Designee to:
  - a. Determine if Special Conditions exist (variance to standard terms or conditions) and if so, complete the *Exception to Standard Contracts Form*. If Special Conditions exist a PO is preferred however a P-Card can be used for payment. Procurement cannot be made on Account. The determination that Special Conditions exist may occur before and/or after vendor quotes are requested.
  - b. Determine if Grant Requirements exist, if so the Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
- iii. Requirement: The Purchaser to perform a price check by requesting at least three quotes from vendors. There is a 2% price advantage for local vendors. Written quotes from the vendors are not required for the price check. Verbal or posted prices are acceptable, however they must be documented on the *PR Form*.
- iv. Requirement: Department Designee to: Verify the *PR Form* is complete and that the price check is documented on the *PR Form*.
- v. Processing: Department Admin and/or the Clerk's office processes *PR Form*, with all attachments, for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
- vi. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file.
- vii. Procurement Method: Procurement may be made only after the *PR Form* is completed, except in the case of Emergency Procurement (See Section 3). Procurement should be made using a P-Card Credit, or alternatively a PO. If a PO is used, direct deposit/ACH payment should be encouraged. Procurement using a revolving account is discouraged.
- viii. Paperwork: Itemized receipt or invoice with Purchaser name to Department Admin for Department Designee approval.
- ix. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department.

**Exempt from Competitive Requirements (see PR Form checkbox):**

- i. Examples: Equipment rental, materials, etc.
- ii. Requirement: Purchaser to begin filling out the *PR Form* and forward to Department Designee to:
  - a. Verify procurement is exempt from competitive requirements. Exempt means: no documented price check required, no 2% local vendor price advantage.

- b. Determine if Special Conditions exist (variance to standard terms or standard conditions) and if so, complete the *Exception to Standard Contracts Form*. If Special Conditions exist a PO is preferred however a P-Card can be used for payment. Charging to a revolving account is discouraged.
  - c. Determine if Grant Requirements exist, if so Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
  - d. Verify that the *PR Form* is complete before forwarding for Procurement Approval.
- iii. Processing: Department Admin and/or the Clerk's office processes *PR Form*, with all attachments, for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
  - iv. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file.
  - v. Procurement Method: Procurement may be made only after the *PR Form* is completed, except in the case of Emergency Procurement (See Section 3). Procurement with a PO is preferred however a P-Card can be used for payment. Procurement using a revolving account is discouraged. If a PO is used, direct deposit/ACH payment should be encouraged.
  - vi. Paperwork: Itemized receipt or invoice with Purchaser name to Department Admin for Department Designee approval.
  - vii. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department.

### c. \$25,000 - \$50,000 Goods:

#### NOT exempt from Competitive Requirements (see PR Form checkbox):

- i. Examples: Equipment rental, materials, etc.
- ii. Requirement: Purchaser to fill out a *Quote Request Form* and begin filling out the *PR Form*, in consultation with the Department Designee. Department Designee to determine:
  - a. Determine if Special Conditions exist (variance to standard terms or standard conditions) and if so, complete the *Exception to Standard Contracts Form*. The determination that Special Conditions exist may occur before and/or after vendor quotes are requested.
  - b. Determine if Grant Requirements exist, if so Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
- iii. Requirement: Purchaser to request at least three written quotes from vendors (bids, proposals or qualifications) based upon CBS standard terms and conditions, using the *Quote Request Form*. The *Quote Request Form* and any quotes received must be attached to the *PR Form*. Distribution of the *Quote Request Form* must be documented on the *PR Form*.
- iv. Requirement: Department Designee to: Verify the *PR Form* is complete and that the *Quote Request Form*, documentation of distribution of *Quote Request Form* and any quotes received are attached to the *PR Form*.

- v. Procurement Approval Processing: Department Admin and/or the Clerk's office processes *PR Form*, with all attachments, for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
- vi. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file.
- vii. Procurement Method: Procurement may be made only after the *PR Form* is completed and a PO issued, except in the case of Emergency Procurement (See Section 3). Direct deposit/ACH payment is encouraged however payment with a P-card after the procurement is approved is allowed. Department Admin or the Department designee sends the PO to the vendor, with any approved special conditions, as notice to proceed.
- viii. Paperwork: Itemized invoice with Purchaser name to Department Admin for Department Designee approval.
- ix. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department.

**Exempt from Competitive Requirements (see *PR Form* checkbox):**

- i. Examples: Equipment rental, materials, specialized equipment, etc.
- ii. Requirement: Purchaser to begin filling out the *PR Form* and forward to Department Designee to:
  - a. Verify procurement is exempt from competitive requirements. Exempt means the request for quotes from at least three vendors is not required.
  - b. Determine if Special Conditions exist (variance to standard terms or standard conditions) and if so, complete the *Exception to Standard Contracts Form*. The determination that Special Conditions exist may occur before and/or after vendor quotes are requested.
  - c. Determine if Grant Requirements exist, if so Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
  - d. Verify that the *PR Form* is complete before forwarding for Procurement Approval.
- iii. Processing: Department Admin and/or Clerk's office processes *PR Form*, with all attachments, for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
- iv. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file.
- v. Procurement Method: Procurement may be made only after the *PR Form* is completed and a PO issued, except in the case of Emergency Procurement (See Section 3). Direct deposit/ACH payment is encouraged however payment with a P-card after the procurement is approved is allowed. Department Admin or the Department designee sends the PO to the vendor, with any approved special conditions, as notice to proceed.
- vi. Paperwork: Itemized invoice with Purchaser name to Department Admin for Department Designee approval.
- vii. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department.

#### d. >\$50,000 Goods:

##### **NOT exempt from Competitive Requirements (see PR Form checkbox):**

- i. Examples: Equipment rental, materials, etc.
- ii. Requirement: Purchaser to fill out a *Quote Request Form* and begin filling out a *PR Form* and forward to the Department Designee to:
  - a. Determine if Special Conditions exist (variance to standard terms or standard conditions) and if so, complete the *Exception to Standard Contracts Form*. The determination that Special Conditions exist may occur before and/or after vendor quotes are requested.
  - b. Determine if Grant Requirements exist, if so Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
  - c. Department Designee forwards *PR Form* and all attachments to Department Director to review and approve before requesting any other department approvals or beginning the bid process.
- iii. Processing:
  - a. *PR Form* and a *Quote Request Form* to Contracts Manager/Coordinator or designee for bid process. Contracts Manager/Coordinator or designee, in consultation with the Department Designee, to: create bid package, advertise, perform bid opening, [how to resolve questions or negotiations of terms and scope??]
  - b. Department Director requests Assembly approval to award, if indicated on the *PR Form*
  - c. Department Designee updates the *PR Form* with the results of the bid process and Assembly approval, if applicable, and verifies that the *PR Form* is complete before forwarding for Procurement Approval.
- iv. Processing: Department Admin and/or Clerk's office processes *PR Form* with all attachments for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
- v. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file.
- vi. Procurement Method: Procurement may be made only after the *PR Form* is completed and a PO issued, except in the case of Emergency Procurement (See Section 3). Direct deposit/ACH payment is encouraged however payment with a P-card after the procurement is approved is allowed. Department Admin or the Department designee sends the PO to the vendor, with any approved special conditions, as notice to proceed.
- vii. Paperwork: Department Admin informs the Planning and Community Development director of the key contract points for public notice: dollar value of the contract, party awarded to, date of award, description of contract.
- viii. Paperwork: Itemized invoice with Purchaser name to Department Admin for Department Designee approval.
- ix. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department.

##### **Exempt from Competitive Requirements (see PR Form checkbox):**

- i. Examples: Equipment rental, materials, specialized equipment, etc.

- ii. Requirement: Purchaser to fill out *PR Form* and a *Quote Request Form* and forward to the Department Designee to:
  - a. Verify procurement is exempt from competitive requirements. Exempt means bid process is not required.
  - b. Determine if Special Conditions exist (variance to standard terms or standard conditions) and if so, complete the *Exception to Standard Contracts Form*.
  - c. Determine if Grant Requirements exist, if so Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
  - d. Verify that the *PR Form* is complete before forwarding for Procurement Approval.
- iii. Processing: Department Admin and/or the Clerk's office processes *PR Form* with all attachments for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
- iv. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file
- v. Procurement Method: Procurement may be made only after the *PR Form* is completed and a PO issued, except in the case of Emergency Procurement (See Section 3). Direct deposit/ACH payment is encouraged however payment with a P-card after the procurement is approved is allowed. Department Admin or the Department designee sends the PO to the vendor, with any approved special conditions, as notice to proceed.
- vi. Paperwork: Department Admin informs the Planning and Community Development director of the key contract points for public notice: dollar value of the contract, party awarded to, date of award, description of contract.
- vii. Paperwork: Itemized invoice with Purchaser name to Department Admin for Department Designee approval.
- viii. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department

## 2. SERVICE

### a. \$0 - \$2,500 Services:

#### Exempt from Competitive Requirements (see *PR Form* checkbox)

- i. Examples: work that requires 3rd party (non-city) personnel, etc.
- ii. Requirement: Purchaser to begin filling out a *PR Form*, in consultation with the Department Designee. Department Designee to:
  - a. Evaluate risk for insurance against Appendix H. Low Risk determinations must be approved by the Department Director.
  - b. Determine if Special Conditions exist (variance to standard terms or conditions) and if so, complete the *Exception to Standard Contracts Form*. If Special Conditions exist a PO is preferred however a P-Card can be used for payment. Procurement on a revolving account is discouraged. The determination that Special Conditions exist may occur before and/or after vendor quotes are requested.

- c. Determine if Grant Requirements exist, if so the Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
- iii. Requirement: The Purchaser to perform a price check by requesting at least two quotes from vendors. There is a 2% price advantage for local vendors. No proof of the price check is required and verbal or posted prices are acceptable.
- iv. Requirement: Department Designee forwards CBS standard contract, and any other approved Special Conditions to the vendor for signature. Vendor-signed contract and vendor's certificate of insurance is attached to *PR Form* to be executed by Department Director with approval of the *PR Form*.
- v. Requirement: Department Designee to: Verify the *PR Form* is complete before forwarding for Procurement approval.
- vi. Processing: Department Admin processes *PR Form* with all attachments for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
- vii. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file.
- viii. Procurement Method: Procurement may be made only after the *PR Form* is completed and a PO issued, except in the case of Emergency Procurement (See Section 3). Direct deposit/ACH payment is encouraged however payment with a P-card after the procurement is approved is allowed. Procurement on a revolving account is discouraged. Department Admin or the Department designee sends the PO to the vendor, with any approved special conditions, as notice to proceed.
- ix. Paperwork: Itemized invoice with Purchaser name to Department Admin or Department Designee approval.
- x. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department

## **b. \$2,500 - \$25,000 Services:**

### **NOT exempt from Competitive Requirements (see *PR Form* checkbox):**

- i. Examples: work that requires 3<sup>rd</sup> party (non-city) personnel, etc.
- ii. Requirement: Purchaser to begin filling out the *PR Form* in consultation with Department Designee. Department Designee to:
  - a. Evaluate risk for insurance against Appendix H. Low Risk determinations must be approved by the Department Director.
  - b. Determine if Special Conditions exist (variance to standard terms or conditions) and if so, complete the *Exception to Standard Contracts Form*. If Special Conditions exist a PO is preferred however a P-Card can be used for payment. When a PO is used, direct deposit/ACH payment should be encouraged. Procurement cannot be made on Account. The determination that Special Conditions exist may occur before and/or after vendor quotes are requested.
  - c. Determine if Grant Requirements exist, if so the Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.

- iii. Requirement: The Purchaser to perform a price check by requesting at least three quotes from vendors. There is a 2% price advantage for local vendors. Written quotes from the vendors are not required for the price check. Verbal or posted prices are acceptable, however they must be documented on the *PR Form*.
- iv. Requirement: Department Designee forwards CBS standard contract, and any other approved Special Conditions to the vendor for signature. Vendor-signed contract and the vendor's certificate of insurance is attached to *PR Form* to be executed by Department Director with approval of the *PR Form*.
- v. Requirement: Department Designee to: Verify the *PR Form* is complete and that the price check is documented on the *PR Form* before forwarding for Procurement Approval.
- vi. Processing: Department Admin processes *PR Form* with all attachments for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
- vii. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file
- viii. Procurement Method: Procurement may be made only after the *PR Form* is completed and a PO issued, except in the case of Emergency Procurement (See Section 3). Direct deposit/ACH payment is encouraged however payment with a P-card after the procurement is approved is allowed. Department Admin or the Department designee sends the PO to the vendor, with any approved special conditions, as notice to proceed.
- ix. Paperwork: Itemized invoice with Purchaser name to Department Admin or Department Designee approval.
- x. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department

**Exempt from Competitive Requirements (see *PR Form* checkbox):**

- i. Examples: work that requires 3rd party (non city) personnel, etc.
- ii. Requirement: Purchaser to begin filling out a *PR Form*, in consultation with the Department Designee. Department Designee to:
  - a. Verify procurement is exempt from competitive requirements. Exempt means: no documented price check required, no 2% local vendor price advantage.
  - b. Evaluate risk for insurance against Appendix H. Low Risk determinations must be approved by the Department Director.
  - c. Determine if Special Conditions exist (variance to standard terms or standard conditions) and if so, complete the *Exception to Standard Contracts Form*.
  - d. Determine if Grant Requirements exist, if so Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
- iii. Requirement: Department Designee forwards CBS standard contract, and any other approved Special Conditions to the vendor for signature. Vendor-signed contract and vendor's certificate of insurance is attached to *PR Form* to be executed by Department Director at the time of approval of the *PR Form*.
- iv. Requirement: Department Designee to: Verify the *PR Form* is complete before forwarding for Procurement approval.

- v. Processing: Department Admin and/or Clerk's office processes *PR Form* with all attachments for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
- vi. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file.
- vii. Procurement Method: Procurement may be made only after the *PR Form* is completed and a PO issued, except in the case of Emergency Procurement (See Section 3). Direct deposit/ACH payment is encouraged however payment with a P-card after the procurement is approved is allowed. Department Admin or the Department designee sends the PO to the vendor, with any approved special conditions, as notice to proceed.
- viii. Paperwork: Itemized invoice with Purchaser name to Department Admin or Department Designee approval.
- ix. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department

### c. \$25,000 - \$50,000 Services:

#### NOT exempt from Competitive Requirements (see *PR Form* checkbox):

- i. Examples: work that requires 3<sup>rd</sup> party (non city) personnel, etc.
- ii. Requirement: Purchaser to fill out a *Quote Request Form* and begin filling out the *PR Form*, in consultation with the Department Designee. Department Designee to determine:
  - a. Evaluate risk for insurance against Appendix H. Low Risk determinations must be approved by the Department Director.
  - b. Determine if Special Conditions exist (variance to standard terms or standard conditions) and if so, complete the *Exception to Standard Contracts Form*. The determination that Special Conditions exist may occur before and/or after vendor quotes are requested.
  - c. Determine if Grant Requirements exist, if so Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
  - d. Determine if Davis Bacon applies and if so, verify the vendor acknowledges that Davis Bacon is required, and that standard Davis Bacon contract language is included.
- iii. Requirement: Purchaser to request at least three written quotes from vendors (bids, proposals or qualifications) based upon CBS standard terms and conditions, using the *Quote Request Form*. The *Quote Request Form* and any quotes received must be attached to the *PR Form*. Distribution of the *Quote Request Form* must be documented on the *PR Form*.
- iv. Requirement: Department Designee forwards CBS standard contract, and any other approved Special Conditions to the vendor for signature. Vendor-signed contract and vendor's certificate of insurance is attached to *PR Form* to be executed at the time of approval of the *PR Form*.
- v. Requirement: Department Designee to: Verify the *PR Form* is complete and that the *Quote Request Form*, documentation of distribution of *Quote Request Form*

- and any quotes received are attached to the *PR Form* before forwarding for Procurement Approval.
- vi. Processing: Department Admin and/or the Clerk's office processes *PR Form*, with all attachments, for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
  - vii. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file.
  - viii. Procurement Method: Procurement may be made only after the *PR Form* is completed and a PO issued, except in the case of Emergency Procurement (See Section 3). Direct deposit/ACH payment is encouraged however payment with a P-card after the procurement is approved is allowed. Department Admin or the Department designee sends the PO to the vendor, with any approved special conditions, as notice to proceed.
  - ix. Paperwork: Itemized invoice with Purchaser name to Department Admin for Department Designee approval.
  - x. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department.

**Exempt from Competitive Requirements (see *PR Form* checkbox):**

- i. Examples: work that requires 3rd party (non city) personnel, etc.
- ii. Requirement: Purchaser begin filling out the *PR Form* in consultation with the Department Designee. The Department Designee to:
  - a. Verify procurement is exempt from competitive requirements. Exempt means: no written quotes from vendors is required.
  - b. Evaluate risk for insurance against Appendix H. Low Risk determinations must be approved by the Department Director.
  - c. Determine if Special Conditions exist (variance to standard terms or standard conditions) and if so, complete the *Exception to Standard Contracts Form*.
  - d. Determine if Grant Requirements exist, if so Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
  - e. Determine if Davis Bacon applies and if so, verify the vendor acknowledges that Davis Bacon is required, and that standard Davis Bacon contract language is included.
- iii. Requirement: Department Designee forwards CBS standard contract, and any other approved Special Conditions to the vendor for signature. Vendor-signed contract and vendor's certificate of insurance is attached to *PR Form* to be executed at the time of approval of the *PR Form*.
- iv. Requirement: Department Designee to: Verify the *PR Form* is complete before forwarding for Procurement Approval.
- v. Processing: Department Admin and/or Clerk's office processes *PR Form* with all attachments for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
- vi. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file.
- vii. Procurement Method: Procurement may be made only after the *PR Form* is completed and a PO issued, except in the case of Emergency Procurement (See

Section 3). Direct deposit/ACH payment is encouraged however payment with a P-card after the procurement is approved is allowed. Department Admin or the Department designee sends the PO to the vendor, with any approved special conditions, as notice to proceed.

- viii. Paperwork: Itemized invoice with Purchaser name to Department Admin or Department Designee approval.
- ix. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department.

**d. >\$50,000 Services:**

**NOT exempt from Competitive Requirements (see PR Form checkbox):**

- i. Examples: work that requires 3rd party (non city) personnel, etc.
- ii. Requirement: Purchaser to fill out a *Quote Request Form* and begin filling out a *PR Form* in consultation with the Department Designee. Department Designee to:
  - a. Evaluate risk for insurance against Appendix H. Low Risk determinations must be approved by the Department Director.
  - b. Determine if Special Conditions exist (variance to standard terms or standard conditions) and if so, complete the *Exception to Standard Contracts Form*.
  - c. Determine if Grant Requirements exist, if so Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
  - d. Determine if Davis Bacon applies and if so, verify the vendor acknowledges that Davis Bacon is required, and that standard Davis Bacon contract language is included.
  - e. Department Designee forwards *PR Form* and all attachments to Department Director to review and approve before requesting any other department approvals or beginning the bid process.
- iii. Processing:
  - a. *PR Form* and a *Quote Request Form* to Contracts Manager/Coordinator for bid process. Contracts Manager/Coordinator, in consultation with the Department Designee, to: create bid package, advertise, perform bid opening, [how to resolve questions or negotiations of terms and scope??]
  - b. Department Director requests Assembly approval to award, if indicated on the *PR Form*.
  - c. Department Designee updates the *PR Form* with the results of the bid process and Assembly approval, if applicable.
- iv. Requirement: Department Designee forwards CBS standard contract, and any other approved Special Conditions to the vendor for signature. Vendor-signed contract and vendor's certificate of insurance is attached to *PR Form* to be executed at the time of approval of the *PR Form*.
- v. Requirement: Department Designee to: Verify the *PR Form* is complete before forwarding for Procurement Approval.
- vi. Processing: Department Admin and/or Clerk's office processes *PR Form* with all attachments for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.

- vii. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file.
- viii. Procurement Method: Procurement may be made only after the *PR Form* is completed and a PO issued, except in the case of Emergency Procurement (See Section 3). Direct deposit/ACH payment is encouraged however payment with a P-card after the procurement is approved is allowed. Department Admin or the Department designee sends the PO to the vendor, with any approved special conditions, as notice to proceed.
- ix. Paperwork: Department Admin informs the Planning and Community Development director of the key contract points for public notice: dollar value of the contract, party awarded to, date of award, description of contract.
- x. Paperwork: Itemized invoice with Purchaser name to Department Admin for Department Designee approval.
- xi. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department.

**Exempt from Competitive Requirements (see *PR Form* checkbox):**

- i. Examples: work that requires 3rd party (non city) personnel, etc.
- ii. Requirement: Purchaser to begin filling out *PR Form* and forward to the Department Designee to:
  - a. In consultation with the Department Director, verify procurement is exempt from competitive requirements. Exempt means: no bid process is required.
  - b. Evaluate risk for insurance against Appendix H. Low Risk determinations must be approved by the Department Director.
  - c. Determine if Special Conditions exist (variance to standard terms or standard conditions) and if so, complete the *Exception to Standard Contracts Form*.
  - d. Determine if Grant Requirements exist, if so Grant Accountant must approve the *PR Form* and the *Exception to Standard Contracts Form* when applicable.
  - e. Determine if Davis Bacon applies and if so, verify that the standard Davis Bacon contract language is included.
- iii. Requirement: Department Designee forwards CBS standard contract, and any other approved Special Conditions to the vendor for signature. Vendor-signed contract and vendor's certificate of insurance is attached to *PR Form* to be executed at the time of approval of the *PR Form*.
- iv. Processing: Department Admin and/or Clerk's office processes *PR Form* with all attachments for approval in the order indicated on the *PR Form* signature block. Any questions are returned to the Purchaser.
- v. Requirement: Completed *PR Form* and all attachments to be filed by Department Admin or Department Designee in department procurement file.
- vi. Procurement Method: Procurement may be made only after the *PR Form* is completed and a PO issued, except in the case of Emergency Procurement (See Section 3). Direct deposit/ACH payment is encouraged however payment with a P-card after the procurement is approved is allowed. Department Admin or the

- Department designee sends the PO to the vendor, with any approved special conditions, as notice to proceed.
- vii. Paperwork: Department Admin informs the Planning and Community Development director of the key contract points for public notice: dollar value of the contract, party awarded to, date of award, description of contract.
  - viii. Payment Paperwork: Itemized invoice with Purchaser name to Department Admin for Department Designee approval.
  - ix. Processing: Department Admin obtains approval from Department Designee and processes to Finance Department.

### **3. EMERGENCY PROCUREMENT**

The City Administrator, any Department Head or any Department Designee may approve an Emergency Procurement up to their approved expenditure level as outline in Appendix E. The PR Request Form will be completed after the event to document the procurement **IS** exempt from Competitive Requirements based on EMERGENCY. In each case, the exempt procedures will be followed after the event to document the procurement.

### **4. TRAVEL**

Travel for CBS business related functions must be approved prior to the event by the Department Manager and by the City Administrator. The approval form resides on the public CBS on-line server under: City Departments, HR Department, “forms” section, (see below). The form requires the dates of travel, lodging, basis of the travel, per diem rates. This form must be approved by your Department Manager and then by the City Administrator. Subsequent to approval, it is sent to CBS Accounts Payable. Accounts payable will issue a per-diem check to the employee. Trip reservations will not be made until the City Administrator has approved the request in writing. The employee is obligated to turn in receipts for lodging, airlines, car rentals and other expenses paid directly by the CBS. The employee should reduce the per diem rate based on meals supplied by the conference or 3<sup>rd</sup> party.

Link:

[The old form will be replaced with the new excel spreadsheet]

<http://www.cityofsitka.com/government/departments/hr/documents/TRAVELAUTHORIZATION.pdf>

### **5. CENTRAL GARAGE**

The Central Garage.....



## City and Borough of Sitka

### APPENDIX A – STANDARD TERMS AND CONDITIONS

#### GENERAL CONDITIONS

1. Inspections and Reports: The department may inspect, in the manner and at reasonable times it considers appropriate, all of the contractor's facilities and activities under this contract. The contractor shall make progress and other reports in the manner and at the times the department reasonably requires.
2. Suitable Materials, Etc.: Unless otherwise specified, all materials, supplies or equipment offered by the contractor shall be new, unused, and of the latest edition, version, model or crop and of recent manufacture.
3. Disputes: If the contractor has a claim arising in connection with the contract that it cannot resolve with the State by mutual agreement, it shall pursue the claim, if at all, in accordance with the provisions of AS 36.30.620-AS 36.30.632
4. Default: In case of default by the contractor, for any reason whatsoever, the State of Alaska may procure the goods or services from another source and hold the contractor responsible for any resulting excess cost and may seek other remedies under law or equity.
5. No Assignment or Delegation: The contractor may not assign or delegate this contract, or any part of it, or any right to any of the money to be paid under it, except with the written consent of the Procurement Officer.
6. No Additional Work or Material: No claim for additional supplies or services, not specifically provided in this contract, performed or furnished by the contractor, will be allowed, nor may the contractor do any work or furnish any material not covered by the contract unless the work or material is ordered in writing by the Finance Director.
7. Independent Contractor: The contractor and any agents and employees of the contractor act in an independent capacity and are not officers or employees or agents of the State in the performance of this contract.
8. Payment of Taxes: As a condition of performance of this contract, the contractor shall pay all federal, State, and local taxes incurred by the contractor and shall require their payment by any subcontractor or any other persons in the performance of this contract. Satisfactory performance of this paragraph is a condition precedent to payment by the Purchaser under this contract.
9. Compliance: In the performance of this contract, the contractor must comply with all applicable federal, state, and borough regulations, codes, and laws, and be liable for all required insurance, licenses, permits and bonds.
10. Conflicting Provisions: Unless specifically amended and approved by the City Finance Director, the terms of this contract supersede any provisions the contractor may seek to add. The contractor may not add additional or different terms to this contract; AS 45.02.207(b)(1). The contractor specifically acknowledges and agrees that, among other things, Provisions in any documents it seeks to append hereto that purport to (1) waive the City and Borough of Sitka's sovereign immunity, (2) impose indemnification obligations on the City and Borough of Sitka, or (3) seek to limit liability of the contractor for acts of contractor negligence, are expressly superseded by this contract and are void.
11. Officials Not to Benefit: Contractor must comply with all applicable federal or State laws regulating ethical conduct of public officers and employees.
12. Contract Prices: Contract prices for commodities must be in U.S. funds and include applicable federal duty, brokerage fees, packaging, and transportation cost to the FOB point so that upon transfer of title the commodity can be utilized without further cost. Prices for services must be in U.S. funds and include applicable federal duty, brokerage fee, packaging, and transportation cost so that the services can be provided without further cost.
13. Contract Funding: Contractors are advised that funds are available for the initial purchase and/or the first term of the contract. Payment and performance obligations for succeeding purchases and/or additional terms of the contract are subject to the availability and appropriation of funds.
14. Force Majeure: The parties to this contract are not liable for the consequences of any failure to perform, or default in performing, any of their obligations under this Agreement, if that failure or default is caused by any unforeseeable Force Majeure, beyond the control of, and without the fault or negligence of, the respective party. For the purposes of this Agreement, Force Majeure will mean war (whether declared or not); revolution; invasion; insurrection; riot; civil commotion; sabotage; military or usurped power; lightning; explosion; fire; storm; drought; flood; earthquake; epidemic; quarantine; strikes; acts or restraints of governmental authorities affecting the project or directly or indirectly prohibiting or restricting the furnishing or use of materials or labor required. The inability to secure materials, machinery, equipment or labor because of priority, allocation or other regulations of any governmental authorities is NOT considered a Force Majeure event.
15. Contract Extension: Unless otherwise provided, the State and the contractor agree: (1) that any holding over of the contract excluding any exercised renewal options, will be considered as a month-to-month extension, and all other terms and conditions shall remain in full force and effect, and (2) to provide written notice to the other party of the intent to cancel such month-to-month extension at least thirty (30) days before the desired date of cancellation.
16. Severability: If any provision of the contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions will not be affected; and, the rights and obligations of the parties will be construed and enforced as if the contract did not contain the particular provision held to be invalid.
17. Continuing Obligation of Contractor: Notwithstanding the expiration date of this contract, the contractor is obligated to fulfill its responsibilities until warranty, guarantee, maintenance and parts availability requirements have completely expired.
18. Governing Law; Forum Selection: This contract is governed by the laws of the State of Alaska. To the extent not otherwise governed by Article 3 of this Appendix, any claim concerning this contract shall be brought only in the Superior Court of the State of Alaska in Sitka and not elsewhere.



APPENDIX B-1 – PURCHASE REQUEST FORM – GOODS

# City and Borough of Sitka

## GOODS >\$2,500

DATE INITIATED: \_\_\_\_\_ REQUESTED BY: \_\_\_\_\_

PROJECT NAME AND/OR DESCRIPTION OF REQUEST (Please attach if additional space is required): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Justification: \_\_\_\_\_  
\_\_\_\_\_

**Required Information:**

- 1. What is the cost of this request? \$ \_\_\_\_\_
- 2. Is this a Fixed Asset?  YES  NO
- 3. Is a new appropriation required?  YES  NO

Note: If "Yes" Assembly must approve a Budget Ordinance – attach documentation of Assembly Approval.

- 4. Source of approved funds for this request (check all that apply):  
 Operating       Capital       Grant       Other \_\_\_\_\_
- 5. Account Number(s): \_\_\_\_\_

6. Total project/account funding: \_\_\_\_\_

7. Contingency amount remaining: \_\_\_\_\_

- 8. Is a competitive process required (see the CBS Purchasing Procedure for requirements)?  YES  NO

Note: If "No" please check the box for the reason why a competitive bid is not required. [Department Director must also initial the box.] Please state which item below from the Sitka General Code applies (section 3.16.060 "Exception to competitive requirements"):

- Below \$2,500       Sole Source       Emergency       Specialized Equipment
- Other \_\_\_\_\_       Interagency or Government Contract

Note: If "Yes" and the cost of the request is >\$50,000 then the signature approval list must include the Contract Manager/Coordinator and the bid decision matrix must be attached.

- 9. Define the required payment terms:  
 Will a portion of this Purchase be billed to a Grant?  YES  NO

Granting Agency and Grant Number: \_\_\_\_\_

Note: If "Yes" then the signature approval list must include the Grant Accountant to ensure that any special contracting requirements are stated and complied with.

- 10. Will this purchase follow all CBS standard terms and conditions?  YES  NO

Note: If the answer is "No" then a completed Exceptions to Standard Contract Form must be attached to this form.

- 11. Check one box and indicate name of vendor and \$ value:  
 Bid       Proposal       Qualification       Exempt (See #8)

Name	Value
1. _____	\$ _____
2. _____	\$ _____
3. _____	\$ _____

Note: Unless exempt for competitive bidding by Section 8, Section 12 must be completed. For purchases from \$25,000 - \$50,000 a Quote Request Form and quotes received must be attached to this form. For purchases >\$50,000 the bid decision matrix must be attached to this form.

13. Indicate which of the following forms are attached **if applicable**:

- |   |   |
|---|---|
| <input type="checkbox"/> Scope/product description                | <input type="checkbox"/> Documentation of Assembly Approval |
| <input type="checkbox"/> Exceptions to Standard Contract Form     | <input type="checkbox"/> Quote Request Form                 |
| <input type="checkbox"/> Written quotes from vendors              | <input type="checkbox"/> Bid decision matrix                |
| <input type="checkbox"/> Other (Key Milestones, Time Frame, etc.) | <input type="checkbox"/> Proof of Insurance                 |

14. I have reviewed this procurement and determined that this purchase was not split into smaller transactions with the intent to allow a lower level of review and approval.

REQUIRED?	APPROVALS (in sequence below)		DATE RECEIVED	DATE APPROVED
<input type="checkbox"/>	REQUESTED BY			
<input type="checkbox"/>	DEPARTMENT DIRECTOR			
<input type="checkbox"/>	GRANT ACCOUNTANT			
<input type="checkbox"/>	CONTRACT MANAGER/COORDINATOR			
<input type="checkbox"/>	CHIEF FINANCE & ADMINISTRATIVE OFFICER			
<input type="checkbox"/>	MUNICIPAL ATTORNEY			
<input type="checkbox"/>	MUNICIPAL ADMINISTRATOR			



APPENDIX B-2 – PURCHASE REQUEST FORM – SERVICES

# City and Borough of Sitka

## SERVICES >\$2,500

DATE INITIATED: \_\_\_\_\_ REQUESTED BY: \_\_\_\_\_

PROJECT NAME AND/OR DESCRIPTION OF REQUEST (Please attach if additional space is required): \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Justification: \_\_\_\_\_  
\_\_\_\_\_

**Required Information:**

1. What is the cost of this request? \$ \_\_\_\_\_
2. Is a new appropriation required?  YES  NO

Note: If "Yes" Assembly must approve a Budget Ordinance – attach documentation of Assembly Approval.

3. Source of approved funds for this request (check all that apply):  
 Operating  Capital  Grant  Other \_\_\_\_\_

4. Account Number(s): \_\_\_\_\_

5. Total project/account funding: \_\_\_\_\_

6. Contingency amount remaining: \_\_\_\_\_

7. Is a competitive process required (see the CBS Purchasing Procedure for requirements)?  YES  NO

Note: If "No" please check the box for the reason why a competitive bid is not required. [Department Director must also initial the box.] Please state which item below from the Sitka General Code applies (section 3.16.060 "Exception to competitive requirements"):

- Below \$2,500  Sole Source  Emergency  Specialized Equipment  
 Other \_\_\_\_\_  Interagency or Government Contract

Note: If "Yes" and the cost of the request is >\$50,000 then the signature approval list must include the Contract Manager/Coordinator and the bid decision matrix must be attached.

8. Specify the Termination Date and any special payment terms:  
 \_\_\_\_\_  
 Do the Davis Bacon Rules Apply?

9. Will a portion of this Purchase be billed to a Grant?  YES  NO

Granting Agency and Grant Number: \_\_\_\_\_

Note: If "Yes" then the signature approval list must include the Grant Accountant to ensure that any special contracting requirements are stated and complied with.

10. Will this purchase be a standard CBS contract?  YES  NO

Note: If the answer is "No" then a completed Exceptions to Standard Contract Form must be attached to this form.

11. Check one box and indicate name of vendor and \$ value:  
 Bid  Proposal  Qualification  Exempt (See #8)  
 Name Value

4. _____	\$ _____
5. _____	\$ _____
6. _____	\$ _____

Note: Unless exempt for competitive bidding by Section 8, Section 12 must be completed. For purchases from \$25,000 - \$50,000 a Quote Request Form and quotes received must be attached to this form. For purchases >\$50,000 the bid decision matrix must be attached to this form.

13. Indicate which of the following forms are attached if applicable:

- |  |   |
|--|---|
| <input type="checkbox"/> Scope/product description (key milestones, etc) | <input type="checkbox"/> Documentation of Assembly Approval |
| <input type="checkbox"/> Exceptions to Standard Contract Form            | <input type="checkbox"/> Quote Request Form                 |
| <input type="checkbox"/> Written quotes from vendors                     | <input type="checkbox"/> Bid decision matrix                |
| <input type="checkbox"/> Contract executed by Vendor                     | <input type="checkbox"/> Proof of Insurance                 |

14. I have reviewed this procurement and determined that this purchase was not split into smaller transactions with the intent to allow a lower level of review and approval.

REQUIRED?	APPROVALS (in sequence below)	DATE RECEIVED	DATE APPROVED
<input type="checkbox"/>	REQUESTED BY		
<input type="checkbox"/>	DEPARTMENT DIRECTOR		
<input type="checkbox"/>	GRANT ACCOUNTANT		
<input type="checkbox"/>	CONTRACT MANAGER/COORDINATOR		
<input type="checkbox"/>	CHIEF FINANCE & ADMINISTRATIVE OFFICER		
<input type="checkbox"/>	MUNICIPAL ATTORNEY		
<input type="checkbox"/>	MUNICIPAL ADMINISTRATOR		

**APPENDIX C: DEPARTMENT DESIGNEES**

**ELECTRIC DEPARTMENT [Sub limits to be set by Department Head] –**

Department Admin –  
Department Head (\$25,000 limit) –  
Department Head (in his absence or as delegated by email) –  
Department Designees:

Andy Eggen - \$10,000  
Erin Clay - \$10,000  
Tony Bird - \$10,000  
Jeff Wheeler - \$10,000

**PUBLIC WORKS [Sub limits to be set by Department Head] –**

**HARBORS [Sub limits to be set by Department Head] –**

**FIRE DEPARTMENT [Sub limits to be set by Department Head] –**

**POLICE DEPARTMENT [Sub limits to be set by Department Head] –**

**FINANCE DEPARTMENT [Sub limits to be set by Department Head] –**

**ASSESORS DEPARTMENT [Sub limits to be set by Department Head] –**

**IT DEPARTMENT [Sub limits to be set by Department Head] –**

**LIBRARY DEPARTMENT [Sub limits to be set by Department Head] –**



**APPENDIX D – FORM: EXCEPTIONS TO STANDARD CONTRACTS**

# City and Borough of Sitka

## EXCEPTION TO STANDARD CONTRACTS FORM

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

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

PROJECT NAME OR DESCRIPTION OF REQUEST:

\_\_\_\_\_

1. For which standard terms and conditions are you requesting a variance?

- |                          |            |                          |                                   |
|--------------------------|------------|--------------------------|-----------------------------------|
| <input type="checkbox"/> | Other      | <input type="checkbox"/> | Insurance Requirements            |
| <input type="checkbox"/> | [RESERVED] | <input type="checkbox"/> | Variance to CBS Contract Language |

2. Please describe the change and circumstance and attach proposed language:

Note: If the procurement will be charged to a grant, the Grant Accountant is required to approve this form.

REQUIRED?	APPROVALS (in sequence below)	DATE RECEIVED	DATE APPROVED
<input type="checkbox"/>	REQUESTED BY		
<input type="checkbox"/>	DEPARTMENT DIRECTOR		
<input type="checkbox"/>	GRANT ACCOUNTANT		
<input type="checkbox"/>	CONTRACT MANAGER/COORDINATOR		
<input type="checkbox"/>	CHIEF FINANCE & ADMINISTRATIVE OFFICER		
<input type="checkbox"/>	MUNICIPAL ATTORNEY		
<input type="checkbox"/>	MUNICIPAL ADMINISTRATOR		

## APPENDIX E – INSURANCE REQUIREMENTS

1. CONSTRUCTION WORK STANDARDS:
  - a. \$2M General Liability (GL)
  - b. \$2M per occurrence
  - c. Subrogation Clause
  - d. \$2M Commercial Auto
  - e. Professional Liability Errors and Omissions \$2M (If Design Build)
  - f. Examples; Road work, civil or electrical construction
  
2. Professional Service Agreement with High Risk (PSA) STANDARDS
  - a. Examples: Engineering high risk systems,
  - b. \$2M GL
  - c. \$2M per occurrence
  - d. Subrogation Clause
  - e. Professional Liability Errors and Omissions \$2M
  - f. Auto (See 5. below)
  
3. Professional Service Agreement with Low Risk (PSA) STANDARDS
  - a. Examples: Consultants on low risk projects
  - b. \$1M GL
  - c. \$1M per occurrence
  - d. Subrogation Clause
  - e. Professional Liability Errors and Omissions \$1M
  - f. Auto (see 5. Below)
  
4. Professional Service Agreement with Minimal requirements for Errors and Omissions STANDARDS
  - a. Examples: Janitor, biologist, recreation studies, etc
  - b. \$1M GL
  - c. \$1M per occurrence
  - d. Subrogation Clause
  - e. Professional Liability Errors and Omissions (None Required)
  - f. Auto (see 5. Below)
  
5. Auto Insurance Requirements
  - a. Construction is Commercial, \$2M and proof (Ex: Actual field construction)
  - b. Low Risk Commercial, \$1M and proof (IE: Janitor, Food Service)
  - c. Non-Commercial, exempt (IE: legal consultant, visiting engineering service)

**APPENDIX F – STANDARD CONTRACT, SERVICE, PSA [Purchaser may change ONLY the highlighted portions only]**

**CONTRACT TO PROVIDE INSERT TYPE OF SERVICE TO CITY AND  
BOROUGH OF SITKA BY INSERT NAME OF CONTRACTOR  
FOR**

**INSERT NAME OF PROJECT**

City and Borough of Sitka (“Owner”) desires the firm insert name of contractor (“Contractor”) to Provide insert type of service for the insert name of project. This Contract to Provide insert type of service to City and Borough of Sitka for insert name of project (“Contract”) is made and entered into by and between Owner and Contractor in consideration of the mutual promises contained in this Contract.

This Contract also consists of:

Name of any attachments such as proposal, scope of services, fee schedule, #  
page(s)

**SECTION 1. DEFINITIONS**

For the purpose of this Contract, the terms used in this Contract shall have the following meaning:

- A. “Owner” shall mean the CITY AND BOROUGH OF SITKA, Alaska.
- B. “Contractor” shall mean insert name of contractor, a Partner, Associate, or any other person acting for and/or in behalf of the firm insert name of contractor.
- C. “Owner’s authorized representative” shall mean the person set forth in Section 21 (B)(2) of this Contract.
- D. “Days” shall mean calendar days.

**SECTION 2. CONTRACT TIME**

- A. This Contract becomes effective when signed and dated by both Parties.
- B. Contractor shall commence performance of the work identified in Section 4 immediately following receipt of the Notice to Proceed.

- C. Except as expressly allowed under this Contract, Owner need not grant Contractor any extension in the time provided to complete the work under this Contract. If Contractor's progress falls behind the project schedule, Contractor shall commit additional resources to the prosecution of the work, or take such other additional steps as are reasonably necessary to assure the completion of the work on schedule, all at no additional cost to Owner.

### **SECTION 3. RESPONSIBILITY OF CONTRACTOR**

At all times during Contractor's performance of professional services under this Contract, 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.

### **SECTION 4. SCOPE OF SERVICE**

The services to be performed by Contractor shall include all services required to complete the tasks set forth in **Contractors Scope of Services**, and shall be in accordance with all applicable statutes, Sitka General Code provisions, ordinances, rules, and regulations. Completion date is **insert completion date**.

### **SECTION 5. OWNERSHIP OF DOCUMENTS**

All plans, drawings, calculations, supporting data and specifications, originals and tracings, shall become the property of Owner. Such documents shall be transmitted to Owner prior to the time of final payment for the work under this Contract. Contractor shall be entitled to retain and reference record copies and electronic files of all documents.

### **SECTION 6. TERMINATION**

This Contract may be terminated:

- A. By mutual consent of the Parties.
- B. For the convenience of Owner, provided that Owner notifies Contractor of its intent to terminate under this paragraph at least 10 days prior to the effective date of the termination.
- C. For cause, by either Party where the other Party fails in any material way to perform its obligation under this Contract; 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 Contract and state with reasonable specificity the grounds, and the defaulting Party shall have failed, within 30 days of receiving the notice, to cure the default.
- D. Termination pursuant to this section shall not affect the Parties' continuing obligations under this Contract.

## **SECTION 7. DUTIES UPON TERMINATION**

- A. If Owner terminates this Contract for convenience, Owner shall pay 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. All finished and unfinished reports and materials prepared by Contractor shall become the property of Owner.
- B. If this Contract is terminated for cause, Owner shall pay Contractor reasonable value of the services satisfactorily rendered prior to termination less any damages suffered by Owner because of Contractor's failure to perform satisfactorily. Any finished or unfinished documents or materials shall become the property of Owner at its option. Under no circumstances shall payment under this section exceed the percentage value of work completed as defined by Contractor's Fee Proposal and under Section 9. Under no circumstances shall payment under this section exceed the total compensation possible under Section 9.
- C. If Contractor has received payments prior to termination in excess of the amount to which it is entitled under Subsection A or B of this section, Contractor shall remit such excess to Owner within 30 days after receipt of notice to that effect.
- D. Contractor shall not be entitled to compensation under this section until Contractor has delivered to Owner all documents, records, work products, materials, and equipment owned by City and Borough of Sitka, related to this Contract and requested by Owner.
- E. If Contractor's services are terminated, for whatever reason, Contractor may not claim any compensation under this Contract other than allowed under this section.
- F. The Owner need not recognize any claim by Contractor for reimbursable expenses or costs incurred after the time which Contractor receives notice of termination under this section.

## **SECTION 8. INDEMNIFICATION**

- A. Contractor shall indemnify, defend, save, and hold Owner harmless from any claims, lawsuits, or liability, including attorney's fees and costs, arising from any wrongful or negligent act, error or omission of Contractor occurring during the course of or as a result of Contractor's performance pursuant to this Contract.
- B. Contractor shall not indemnify, defend, save, and hold Owner harmless from any claims, lawsuits, liability, or attorney's fees and costs, arising in wrongful or negligent acts, errors or omissions solely of Owner occurring during the course of or as a result of the performance of this Contract.
- C. Where claims, lawsuits, or liability, including attorney's fees and costs, arise from

wrongful or negligent acts of both Parties, Contractor shall indemnify, defend, save and hold Owner harmless from only that portion of claims, lawsuits or liability, including attorney's fees and costs, which result from Contractor's wrongful or negligent acts occurring during the course of or as a result of Contractor's performance pursuant to this Contract.

## **SECTION 9. PAYMENT**

- A. For Contractor's **insert scope of services**, as described in Section 4 of this Contract, compensation will be paid on a **insert payment method such as time and materials**, subject to Contractor's satisfactory performance, in a total amount Not to Exceed (NTE) **\$.00** unless mutually agreed upon by both Parties prior to commencing additional work. Contractor shall **not** begin any phase of the work without written authorization by Owner. The Owner has the option of omitting any phase of the Contract as it deems necessary.
- B. Contractor shall present an invoice(s) to Owner's authorized representative. Such invoice(s) shall describe the work for which it seeks payment and shall document expenses and fees to the satisfaction of Owner's authorized representative. Invoices shall not be submitted more frequently than once every 30 days.
- C. Owner shall make payment on invoices within 30 days of the invoices' receipt and approval by Owner's authorized representative.
- D. Contractor shall be entitled to no compensation under this Contract beyond the amount of Owner's express obligation under subsection A above. Compensation for preliminary drawings, specifications and reports shall not exceed 50% of the total Contract amount.
- E. The amount to be paid for additional services, at the option of Owner, shall be negotiated at the hourly fees submitted in **Contractors Revised Fee Proposal**, by the Parties prior to the execution of amendments to this Contract for this work.

## **SECTION 10. AUDIT: ACCESS TO RECORDS**

- A. Contractor shall maintain records of performances, communications, documents, correspondence and costs pertinent to this Contract. The Owner's authorized representatives shall have the right to examine such records and accounting procedures and practices.
- B. The Owner's authorized representative shall have the right to examine all books, records, documents and other data of Contractor related to the negotiation, pricing and performance Contract, 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 Contractor at all reasonable times for inspection, audit or reproduction, for a minimum of 3 years from the date of final payment under this Contract and for such longer period, if any, as may be required by applicable statute or other provisions of this Contract.
- D. If this Contract is completely or partially terminated, records relating to the services terminated shall be made available to Owner by Contractor for a minimum of 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 Contract shall be made available to Owner by Contractor until such claims or litigation have been concluded.

## **SECTION 11. RELATIONSHIP OF PARTIES**

Contractor shall perform its obligations under this Contract as an independent Contractor of Owner. Owner may administer the Contract and monitor Contractor's compliance with its obligations. Owner shall not supervise or direct Contractor other than as provided in this section.

## **SECTION 12. ASSIGNMENTS**

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

The Owner reserves the right to approve all subcontractor contracts.

## **SECTION 13. NONDISCRIMINATION**

- A. Contractor may not discriminate against any employee or applicant for employment because of race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood. The Contractor shall post in a conspicuous place, available to employees and applicants for employment, a notice setting out the provisions of this paragraph.
- B. Contractor shall state, in all solicitations or advertisements for employees to work on jobs relating to this Contract, that all qualified applicants will receive consideration for employment without regard to race, religion, color, national origin, age, disability, sex, marital status, changes in marital status, pregnancy, or parenthood.
- C. Contractor shall include the provisions of Subsection A in every subcontract or purchase order under this Contract, so as to be binding upon every such subcontractor

or vendor of Contractor under this Contract.

- D. Contractor shall comply with all applicable Federal, State and City laws concerning the prohibition of discrimination.

#### **SECTION 14. COPYRIGHTS AND RIGHTS IN DATA**

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

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

#### **SECTION 15. NOTICES**

Any notice required pertaining to the subject matter of this Contract 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:

##### **OWNER:**

City and Borough of Sitka  
Public Works Department  
100 Lincoln Street  
Sitka, AK 99835

##### **CONTRACTOR:**

Insert name of contractor  
Attn: point of contact  
contractors address  
Sitka, AK 99835

#### **SECTION 16. CLAIMS AND DISPUTES**

If Contractor becomes aware, or reasonably should have become aware, of any act or occurrence which may form the basis of a claim, Contractor shall immediately notify in writing Owner's authorized representative. If the matter cannot be resolved within seven (7) days, Contractor shall, within the next fourteen (14) days, submit a written notice of the claim. 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 Contract under which the claim is made. This procedure covers all claims by Contractor for additional compensation or any extension of the time for performance or any dispute regarding a question of fact or interpretation of this Contract. Contractor agrees that unless these written notices are provided, Contractor shall have no entitlement to additional time nor compensation for such act, event or condition.

under this Contract shall comply with all applicable statutes, ordinances, rules and regulations. Contractor shall pay all taxes pertaining to its performance under this Contract.

## **SECTION 20. NON-WAIVER**

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

## **SECTION 21. AMENDMENT**

- A. This Contract 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 Contract as an appendix.
- B. For the purposes of any amendment, modifications or change to the terms and conditions of this Contract, the only authorized representatives of the Parties are:
  - 1. Name; title - For Contractor
  - 2. Mark Gorman, Municipal Administrator (unless under \$25,000 can be department head) - For Owner
- C. Any attempt to amend, modify or change this Contract by either an unauthorized representative or unauthorized means, shall be void.

## **SECTION 22. SEVERABILITY**

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

## **SECTION 23. JURISDICTION - CHOICE OF LAW**

Any civil action arising from this Contract shall be brought in the Alaska Superior Court at Sitka. The laws of the State of Alaska shall govern the rights and obligations of the Parties under this Contract.

## **SECTION 24. INTEGRATION**

This instrument and all appendices and amendments embody the entire Contract of the Parties. There are no promises, terms, conditions or obligations other than those contained in this Contract. This Contract shall supersede all previous communications, representations, or Contracts, either oral or written, between the Parties.

IN WITNESS WHEREOF, the Parties have executed this Contract, on the date and at the place shown below.

## **SECTION 17. SUCCESSORS AND ASSIGNS**

The Parties bind themselves, partners, successors, assigns and legal representatives to the other Party to this Contract and to partners, successors, assigns and legal representatives of such other Party with respect to all covenants of this Contract.

## **SECTION 18. INSURANCE**

A. Contractor shall at all times during the term of this Contract, maintain in good standing the insurance described in Subsection B. Before rendering any services under this Contract, Contractor shall furnish Owner with proof of insurance in accordance with Subsection B in a form acceptable to the Risk Manager for Owner; such proof of insurance shall be incorporated into this Contract.

B. Type of coverage:

- |   |                  |
|---|------------------|
| 1. Commercial General Liability                   |                  |
| Occurrence Limit                                  | \$2,000,000      |
| Products and Completed Operations Aggregate       | \$2,000,000      |
| General Aggregate                                 | \$2,000,000      |
| 2. Workman's Compensation                         | Alaska Statutory |
| Employers Liability                               |                  |
| 3. Commercial Automobile Liability                | \$2,000,000      |
| Including all owned, hired and non-owned vehicles |                  |
| 4. Professional Errors and Omissions              | \$2,000,000      |

C. Insurance Notes

1. Owner shall be named as an additional named insured on the required general liability and automobile insurance policies. The Owner shall also be granted a full waiver of any rights of subrogation by endorsement under all required policies with the exception of Professional Errors and Omissions. These requirements extend to all subcontractors.
2. Contractor is required to notify Owner if any policy is to be canceled, materially changed, or renewed, at least thirty days prior, by written notice sent by certified mail.

## **SECTION 19. PERMITS, LAWS AND TAXES**

Contractor shall acquire and maintain in good standing all permits, licenses and other entitlement necessary to its performance under this Contract. All actions taken by Contractor

**CITY AND BOROUGH OF SITKA**

**INSERT CONTRACTOR**

\_\_\_\_\_  
Municipal Administrator (unless under  
\$25,000 can be Dept Head)

Date: \_\_\_\_\_  
IRS TAX I.D. NO. \_\_\_\_\_

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

**THE ADDITIONAL SIGNATURES BELOW ARE REQUIRED FOR CONTRACTS  
WITH NOT TO EXCEED LIMITS GREATER THAN \$25,000.00 AND ANY  
CONTRACT SIGNED BY THE MUNICIPAL ADMINISTRATOR**

**ATTEST:**

**ATTEST:**

\_\_\_\_\_  
Sara Peterson, CMC  
Municipal Clerk

\_\_\_\_\_  
Robin Koutchak  
Municipal Attorney

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**FINANCE REVIEW/CERTIFICATION OF AVAILABLE FUNDING:**

\_\_\_\_\_  
Not to Exceed: \$00  
Contract Amount

\_\_\_\_\_  
Jay Sweeney  
Chief Finance & Administrative Officer

\_\_\_\_\_  
Contract Number

\_\_\_\_\_  
Date