

City of Unalaska

Financial Consulting Services – Utility Rate Studies for Electric, Water, Wastewater and Solid Waste



Request for Qualifications

Date: November 20, 2024

City of Unalaska

Department of Public Works

P.O. Box 610

Unalaska, Alaska 99685

907-581-1260

CITY OF UNALASKA

Table of Contents

I. PURPOSE	3
II. SCOPE	3
III. SCHEDULE	5
IV. SUBMITTAL AND REQUIREMENTS	5
V. EVALUATIONS AND SELECTION PROCESS	5

List of Attachments

- Attachment A – Consultant Agreement
- Attachment B – Evaluation Matrix
- Attachment C – Insurance Requirements

REQUEST FOR QUALIFICATIONS

FINANCIAL CONSULTING SERVICES – UTILITY RATE STUDIES FOR ELECTRIC, WATER, WASTEWATER & SOLID WASTE

I. PURPOSE:

The City of Unalaska Department of Public Utilities is requesting statements of qualifications from qualified firms, experienced in performing utility rate studies, to perform comprehensive rate studies for electric, water, wastewater and solid waste utilities. The purpose of this RFQ is to evaluate and select a firm that can deliver a comprehensive rate study for the City's electric, water, wastewater and solid waste utilities no later than April 28, 2025.

The City of Unalaska provides electric, water, wastewater and solid waste service (the "City Utilities") to a population of approximately 4,500 year-round residents, this population grows to 8,000 and up to 12,000 during fishing seasons.

The City operates a 21 MW power plant, 13 MGD water system, 1.2 MGD wastewater system and processes approximately 8,500 tons of solid waste. The electric distribution division utilizes approximately 14 miles of 35 kVA circuit, 16 miles of 15 kVA circuit, 200 transformers, 130 sectionalizing devices to serve its approximate 1,000 service connections. The water division utilizes approximately 21 miles of pipe, ranging from 8" – 24", two enclosed storage tanks (2.5MG, .5MG) to serve its 600 customers. The wastewater division utilizes approximately 20 miles of gravity main, 3 miles of pressure main, 10 lift stations and 370 manholes to serve its 600 customers. The solid waste division operates from a 12,000 square foot facility, where solid waste is bailed and moved to the active cell. Additionally, the solid waste division operates a 1.6 MG leachate storage tank and processing facility.

The Department of Public Utilities operates the City Utilities with a \$27M proprietary operations and capital budget. Increased demand for utility services currently forecast an increase of 14 MW for power production and distribution and 1MGD of water service. Future capital projects include: \$8M gasifier for solid waste management, 2-3 MG water storage tank, wind generation development, and 200A – 600A electric distribution circuit upgrades.

For additional information visit:

<https://www.ci.unalaska.ak.us/publicutilities>

For the Department of Public Utilities' operating budgets & fee schedule please visit:

[Budget Fiscal Year 2025 | City of Unalaska - International Port of Dutch Harbor](#)

[Schedule of Fees & Charges | City of Unalaska - International Port of Dutch Harbor](#)

II. SCOPE:

a. Overview

The City of Unalaska is seeking a firm to conduct a comprehensive utility rate study for the City Utilities . This study will include the following by division:

i. Electric

1. Analyze current and future cost burdens against existing rate structure.
2. Evaluate return on equity within the system based on existing rate structure.
3. Analyze current rate structure with City staff and provide recommendations to fully fund expenditures for the next 10 years, including CMMP.
4. Alternative rate design to include wholesale rates for co-generators.
5. Present new rate structure to constituents and members of the public.
6. Present current asset depreciation to constituents.
7. Develop policy for rate analysis.
8. Develop revenue projections.
9. Develop revenue requirements.

ii. Water & Wastewater

1. Analyze current and future cost burdens against existing rate structure.
2. Evaluate return on equity within the system based on existing rate structure.
3. Analyze current rate structure with City staff and provide recommendations to fully fund expenditures for the next 10 years, including CMMP.
4. Present new rate structure to constituents and members of the public.
5. Present current asset depreciation to constituents.
6. Develop policy for rate analysis.
7. Develop revenue projections.
8. Develop revenue requirements.

iii. Solid Waste

1. Analyze current and future cost burdens against existing rate structure.
2. Evaluate return on equity within the system based on existing rate structure.
3. Analyze current rate structure with City staff and provide recommendations to fully fund expenditures for the next 10 years, including CMMP.
4. Present new rate structure to constituents and members of the public.
5. Present current asset depreciation to constituents.
6. Develop policy for rate analysis.
7. Develop revenue projections.
8. Develop revenue requirements.
9. Update closure, post-closure cost liability for FY26-FY31.

b. Technical Specifications

i. Data Acquisition

1. After reviewing system information provided by the Department of Public Utilities, the firm will prepare a detailed data request for City staff to complete the rate studies. Information may be provided by staff through a variety of resources that are not consolidated including: spreadsheets, exported reports and financial reports. E-mail correspondence, phone conversations and MS Teams meetings can be scheduled to complete this task.
2. If needed, the consultant will provide examples of reports and other information needed to complete rate study.

ii. Rate Structure Analysis and Recommendations

1. Upon receiving and analyzing data provided by City staff, the consultant will provide analysis of current rate structure. Consultant will also work with city staff to provide recommendations of new rate structure for the Electric Division, this recommendation should be designed to fully fund all expenditures in the division.
2. Upon receiving and analyzing data provided by City Staff, the consultant will provide rate adjustment recommendations for the Water, Wastewater, and Solid Waste Division. Recommendations should be designed to fully fund all expenditure across all three divisions.

iii. Rate Analysis Policy

The consultant will develop a draft rate setting policy. This policy must cover all items under "II. SCOPE".

iv. Revenue Requirements and Projections

1. The consultant will prepare revenue requirement analysis for FY26-FY29 that will be based on current financial reports available, previous operating budgets, current (FY25) operating budgets and current 5-year Capital Major Maintenance Plan (CMMP).
2. The consultant will prepare revenue projections for FY26-FY29 based on implemented billing determinants and rates. Projection data shall be provided in excel format to City Staff.

v. Presentation & Communication

The consultant will prepare presentations of recommended rate models the City Utilities. A minimum of four official presentations and meetings will be required:

1. 30 days within final deliver to allow City staff to review recommendations
2. Additional meetings with staff to review customer input.
3. First reading of recommended rate adjustments to constituents
4. Utility proprietary fund management presentation during First Reading
5. Second reading of recommended rate adjustments to constituents (adoption)
6. Presentation to public of adopted rate adjustments and structure.

Presentations can be made in person, or via MS Teams, ZOOM.

III. SCHEDULE:

The schedule to complete the rate study from the Notice to Proceed date is approximately 120 days or before April 28, 2025. All recommendations must be adopted on or prior to the last meeting of the fiscal year, June 24, 2025.

IV. SUBMITTAL AND REQUIREMENTS:

Submittals must include the following information:

- Firm name and contact information, including name of Project Manager, and applicable Consultant, QC and support staff and sub-consultants.
- Introduction of firm and project team.
- Documentation of firm's experience and successful projects.

Sealed submissions clearly marked "Statement of Qualifications: Financial Consulting Services – Utility Rate Studies for Electric, Water, Wastewater and Solid Waste" can be submitted no later than Friday, December 20, 2024 2 p.m. local time to:

City of Unalaska
Office of the City Clerk
43 Raven Way
P.O. Box 610
Unalaska, Alaska 99685-610
Tel. 907-581-1251
Fax. 907-581-1417

An electronic copy of the RFQ documents may be obtained from the City of Unalaska website: <http://www.ci.unalaska.ak.us/rfps>, for no charge.

Questions regarding this RFQ should be directed to:

Erik Hernandez, Acting Department of Utilities, via email to ehernandez@ci.unalaska.ak.us

or

Patricia Soule, Finance Director, via email to psoule@ci.unalaska.ak.us

A pre-submittal conference will be held Monday, December 2, 2024 at 10 a.m. AKST via MS Teams. Please contact Erik Hernandez at ehernandez@ci.unalaska.ak.us for an invitation.

Any submissions received after the time and date specified will not be considered.

V. EVALUATION AND SELECTION PROCESS:

Request for Qualifications

Financial Consulting Services – Utility Rate Studies for Electric, Water, Wastewater and Solid Waste

Page 5 of 15

A review committee under the direction of the City of Unalaska, Department of Public Utilities and Finance, will review all submissions based on the criteria below. A contract, which shall take into consideration:

a. Professional Experience

- Years in business
- Staff experience
- Demonstration of thorough knowledge of financial planning, rate design and cost of service analysis.

b. Ability to Provide and Meet Scope of Services

- Submissions should include summary of firm's approach to complete scope under this RFQ.

c. Past Performance and References

- Examples of previous engagements with similar scope of work
- Past performance with municipal utilities serving more than 1,000 customers and considerable shifting loads from industrial customers

d. Total Cost

- Itemized summary of scope of the project
- Total cost for complete scope of the project

ATTACHMENT A
CITY OF UNALASKA
Department of Public Works & Utilities
FINANCIAL CONSULTING SERVICES – UTILITY RATE STUDIES FOR ELECTRIC, WATER, WASTEWATER & SOLID WASTE
CONSULTANT AGREEMENT

THIS AGREEMENT is entered into on _____, 2024, by and between _____ (“Contractor”), and the CITY OF UNALASKA (hereinafter called “City” or “Owner”).

WHEREAS, the City issued a request for qualifications for Financial Consulting Services; Utility Rate Study for Electric, Water, Wastewater, & Solid (RFQ);

WHEREAS, Contractor submitted a proposal in response to the RFQ (the “Proposal”); and

WHEREAS, Contractor was selected to provide the services described in the RFQ and the Proposal;

NOW THEREFORE the parties hereto do mutually agree as follows:

1. Engagement of Contractor

Contractor agrees to provide professional services in accordance with the provisions of this Agreement. A written description of the work to be performed and the schedule thereof is set out in the RFQ and the Proposal.

2. Contractor’s Fee and Payments

The City agrees to pay Contractor as compensation for the services under this Agreement such sums of money as set forth in the Fee Schedule, attached as Exhibit A to this Agreement.

Contractor shall submit periodic invoices as services are performed. Provided Contractor submits a proper invoice, in such form accompanied by such evidence in support thereof as may be reasonably required by the City, the City shall make payment within thirty days.

3. Personnel

Contractor agrees to furnish all personnel necessary for expeditious and satisfactory performance of this Agreement, each to be competent, experienced, and well qualified for the work assigned. No person objected to by the City shall be employed by Contractor for work hereunder.

4. Independent Contractor Status

In performing under this Agreement, Contractor acts as an independent contractor and shall have responsibility for and control over the details and means for performing the services required hereunder.

5. Indemnification

Contractor shall defend and save harmless City or any employee, officer, insurer, or elected official thereof from and against losses, damages, liabilities, expenses, claims, and demands but only to the extent arising out of any negligent act or negligent omission of Contractor while performing under the terms of this contract.

City shall defend and save harmless Contractor, its employees and officers from and against losses, damages, liabilities, expenses, claims and demands but only to the extent caused by the negligent acts or omissions of the City while performing under the terms of this contract.

6. Assignment

Contractor shall not assign this Agreement or any of the monies due or to become due hereunder without the prior written consent of City.

7. Subcontracting

Contractor may not subcontract its performance under this Agreement without prior written consent of City.

8. Designation of Representatives

The Parties agree, for the purposes of this Agreement, the City shall be represented by and may act only through the City Manager or such other person as he may designate in writing. Contractor shall advise City in writing of the name of its representative in charge of the administration of this Agreement, who shall have authority to act for and bind Contractor in connection with this Agreement.

9. Termination

Either party shall have the right to terminate this Agreement in whole or in part at any time and for reasonable cause, by delivery of ten days written notice, specifying the extent and effective date thereof. After receipt of such notice, Contractor shall stop work hereunder to the extent and on the date specified in such notice, and deliver to City all designs, computations, drawings, specifications and other material and information prepared or developed hereunder.

In the event of any termination pursuant to this clause, Contractor shall be entitled to be paid as provided herein for direct labor hours expended and reimbursable costs incurred prior to the termination and for such direct labor hours and reimbursable costs as may be expended or incurred thereafter with City's approval in concluding the work terminated, it being understood that Contractor shall not be entitled to any anticipated profit on services not performed. Except as provided in this clause, any such termination shall not alter or affect the rights or obligations of the parties under this Agreement.

10. Ownership and Use of Documents

The City shall own all designs, computations, drawings, specifications and other material and information prepared or developed hereunder

11. Insurance

A. The Contractor, at its own expense, shall obtain and maintain in force throughout the life of this contract, the insurance coverage and amounts herein specified. Such coverage shall be with an insurance company rated "A-:VIII by A.M. Best Company, or a company specifically approved by the City. These policies providing coverage shall contain provisions and endorsements that no cancellation or material changes in the policy relative to this Agreement shall become effective except upon 30 days prior written notice thereof to the City

B. The City of Unalaska, its officials, employees, volunteers and agents shall be named as additional insured under the insurance coverage so specified and where allowed, with respect to the performance of the work and this additional insured status must be endorsed upon all policies where applicable. There shall be no right of subrogation against the City or its officials, employees or agents performing work, in connection with the work, and this waiver of subrogation shall be endorsed upon the policies. This provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the contractor's insurer.

C. Prior to commencement of the work, the contractor shall furnish certificates of insurance to the City of Unalaska, written on standard Accord forms, evidencing that the insurance policy provisions required herein are in force. These certificates of insurance shall be sent to: City of Unalaska: Risk Management: PO Box 610 Unalaska, AK 99685 or email to: risk@ci.unalaska.ak.us

Acceptance by the City of Unalaska of deficient evidence of insurance does not constitute a waiver of contract requirements.

D. The minimum coverages and limits required are as follows:

1. Workers' Compensation insurance in accordance with the statutory coverages required by the State of Alaska and Employers Liability insurance with limits not less than the following:

Bodily injury by accident \$1,000,000 each accident

Bodily injury by disease \$1,000,000 policy limit

Bodily injury by disease \$1,000,000 each employee

and, where applicable, insurance in compliance with any other statutory obligations, whether State or Federal, pertaining to the compensation of injured employees assigned to the work.

2. Commercial General Liability with limits not less than \$1,000,000 per Occurrence and \$2,000,000 Aggregate for Bodily Injury and Property Damage, Premises and Operations Liability, Products and Completed Operations Liability, Contractual Liability and Personal Injury Liability.

3. Commercial Automobile Liability on all owned, non-owned, hired and rented vehicles with limits of liability of not less than \$1,000,000 Combined Single Limit for Bodily Injury and Property Damage per each accident or loss.

4. Umbrella/Excess Liability insurance coverage of not less than \$1,000,000 per occurrence and annual aggregate providing coverage in excess of General Liability, Auto Liability, and Employers Liability.

5. Professional Liability insurance with limits of not less than \$1,000,000 per claim and \$1,000,000 aggregate, subject to a maximum deductible \$25,000 per claim. The City of Unalaska has the right to negotiate increase of deductibles subject to acceptable financial information of the policyholder.

6. If work involves use of aircraft, Aircraft Liability insurance covering all owned and non-owned aircraft with a per occurrence limit of not less than \$1,000,000.

7. If work involves use of watercraft, Protection and Indemnity insurance with limits not less than \$1,000,000 per occurrence.

E. If Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City of Unalaska, its officials, employees, volunteers and agents require and shall be entitled to the broader coverage and/or higher limits maintained by the contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the city.

F. Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officials, employees and volunteers; or the contractor shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expense.

G. All insurance policies as described above are required to be written on an "occurrence" basis. In the event occurrence coverage is not available, the contractor agrees to maintain "claims made" coverage for a minimum of two years after project completion.

H. For any claims related to this Agreement the Contractor's insurance coverage shall be primary coverage as respects the City, its officials, employees and agents. Any issuance of self-insurance maintained by the City, its officials, employees or agents shall be excess of the Contractor's insurance and shall not contribute with it.

I. The contractor shall furnish the City of Unalaska with certified copies of full policies upon request

J. If the contractor employs subcontractors to perform any work hereunder, the contractor agrees to require such subcontractors to obtain, carry, maintain, and keep in force during the time in which they are engaged in performing any work hereunder, policies of insurance which comply with the requirements as set forth in this section and to furnish certificates of insurance thereof to the City of Unalaska. This requirement is applicable to subcontractors of any tier.

12. Claims Recovery

Claims by City resulting from Contractor's failure to comply with the terms of and specifications of this Agreement and/or default hereunder may be recovered by City by withholding the amount of such claims from compensation otherwise due Contractor for work performed or to be performed. City shall notify Contractor of any such failure, default or damage therefrom as soon as practicable, but no later than 10 days after discovery of such event by written notice. Nothing provided herein shall be deemed as constituting an exclusive remedy on behalf of City, nor a waiver of any other rights hereunder at law or in equity. Design changes required as a result of failure to comply with the applicable standard of care shall be performed by the Contractor without additional compensation.

13. Performance Standard

Services performed under this Agreement will be performed with reasonable care or the ordinary skill of the profession practicing in the same or similar location and under similar circumstances and shall comply with all applicable codes and industry standards in the State of Alaska.

14. Compliance with Applicable Laws

Contractor shall in the performance of this Agreement comply with all applicable federal, state, and local laws, ordinances, orders, rules, and regulations applicable to its performance hereunder, including without limitation, all such legal provisions pertaining to social security, income tax withholding, medical aid, industrial insurance, workers' compensation, and other employee benefit laws. Contractor also agrees to comply with all contract provisions pertaining to grant or other funding assistance which City may choose to utilize to perform work under this Agreement. The Contractor and all subcontractors must comply with state laws related to local hire and prevailing wages.

15. Records and Audit

Contractor agrees to maintain sufficient and accurate records and books of account, including detailed time records, showing all direct labor hours expended and all reimbursable costs incurred and the same shall be subject to inspection and audit by City at all reasonable times. All such records and books of account pertaining to any work performed hereunder shall be retained for a period of not less than six years from the date of completion of services hereunder.

16. Reporting of Progress and Inspection

Contractor agrees to keep City informed as to progress of the work under this Agreement by providing monthly written progress reports, and shall permit City to have reasonable access to the work performed or being performed, for the purpose of any inspection City may desire to undertake.

17. Nondiscrimination

Contractor will not unlawfully discriminate against any employee or applicant for employment because of race, color, religion, national origin, ancestry, age, sex, marital status, or mental or physical handicap. The Contractor shall state, in all solicitations for employees to work on contract jobs, that all qualified applicants will receive consideration for employment without unlawful discrimination based upon race, color, religion, national origin, ancestry, age, sex, marital status, or mental or physical handicap.

18. Form of City Approval

Except as otherwise provided in this Agreement, City's requests and approvals, and Contractor's cost estimates and descriptions of work to be performed, may be made orally where necessary, provided that the oral communication is confirmed immediately thereafter in writing.

19. Duration of Agreement

This agreement is effective until completion of the services unless earlier terminated.

20. Inspections by City

The City has the right, but not the duty, to inspect, in the manner and at reasonable times it considers appropriate during the period of this Agreement, all facilities and activities of the Contractor as may be engaged in the performance of this Agreement.

21. Notices

Any official notice that either party hereto desires to give the other shall be delivered through the United States mail by certified mail, return receipt requested, with postage thereon fully prepaid and addressed as follows:

To City:

City Manager
City of Unalaska
Box 610
Unalaska, Alaska 99685

To Contractor:

The addresses specified may be changed by either party by giving written notice thereof to the other party pursuant to this paragraph.

22. Venue/Applicable Law

The venue of any legal action between the parties arising as a result of this Agreement shall be laid in the Third Judicial District of the Superior Court of the State of Alaska and this Agreement shall be interpreted in accordance with the laws of the State of Alaska.

23. Attorney's Fees

In the event either party institutes any suit or action to enforce its right hereunder, the prevailing party shall be entitled to recover from the other party its reasonable attorney's fees and costs in such suit or action and on any appeal therefrom.

24. Waiver

No failure on the part of City to enforce any covenant or provisions herein contained, nor any waiver of any right hereunder by City, unless in writing and signed by the parties sought to be bound, shall discharge or invalidate such covenants or provisions or affect the right of City to enforce the same or any other provision in the event of any subsequent breach or default.

25. Binding Effect

The terms, conditions and covenants contained in this Agreement shall apply to, inure to the benefit of, and bind the parties and their respective successors.

26. Entire Agreement/Modification

This agreement, including the RFQ, Proposal, and Fee Schedule, constitutes the entire Agreement between the parties with respect to the subject matter hereof, and all prior negotiations and understandings are superseded and replaced by this Agreement and shall be of no further force and effect. No modification of this Agreement shall be of any force or effect unless reduced to writing, signed by both parties and expressly made a part of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed by their duly authorized officials, this Agreement in duplicate on the respective date indicated below.

CONTRACTOR

CITY OF UNALASKA:

Bil Homka, City Manager

**ATTACHMENT B
CITY OF UNALASKA**

Department of Public Works & Utilities

**FINANCIAL CONSULTING SERVICES – UTILITY RATE STUDIES FOR ELECTRIC, WATER, WASTEWATER & SOLID WASTE
EVALUATION MATRIX**

Consultant A Evaluation Matrix								
	Weight %	Score 1	Score 2	Score 3	Score 4	Score 5	Average Score	Total Points+ (numerical score x weight)
Professional Qualifications	20							
Experiences and References	20							
Ability to Provide and Meet Scope of Services	40							
Price	20							
Total Weight Score	100							

Consultant B Evaluation Matrix								
	Weight %	Score 1	Score 2	Score 3	Score 4	Score 5	Average Score	Total Points+ (numerical score x weight)
Professional Qualifications	20							
Experiences and References	20							
Ability to Provide and Meet Scope of Services	40							
Price	20							
Total Weight Score	100							

Consultant C Evaluation Matrix								
	Weight %	Score 1	Score 2	Score 3	Score 4	Score 5	Average Score	Total Points+ (numerical score x weight)
Professional Qualifications	20							
Experiences and References	20							
Ability to Provide and Meet Scope of Services	40							
Price	20							
Total Weight Score	100							

**ATTACHMENT C
CITY OF UNALASKA**

Department of Public Works & Utilities

FINANCIAL CONSULTING SERVICES – UTILITY RATE STUDIES FOR ELECTRIC, WATER, WASTEWATER & SOLID WASTE

Contractor shall procure and maintain for the duration of the contract, at its own expense, insurance against claims for injuries to persons or damages to property which may arise from or in connection with contracted services provided by Contractor, its employees, agents or representatives.

A. Minimum Scope and Limit of Insurance: coverage shall be at least as broad as:

1. **Commercial General Liability** shall have limits not less than \$1,000,000 per occurrence and \$2,000,000 Aggregate, including coverage for Bodily Injury and Property Damage, Premises and Operations Liability, Products and Completed Operations Liability, Contractual Liability, and Personal Injury Liability.

2. **Commercial Automobile Liability** on all owned, hired, non-hired and rented vehicles of not less than \$1,000,000 combined single limit per accident/occurrence for bodily injury and property damage.

4. **Workers' Compensation** insurance in accordance with the statutory coverages required by the State of Alaska, and Employers Liability insurance with limits not less than the following:

Bodily Injury by accident: \$1,000,000 per accident

Bodily Injury by disease \$1,000,000 policy limit

Bodily injury by disease \$1,000,000 each employee

5. **Professional Liability insurance** with limits of not less than \$1,000,000 per occurrence or claim and \$1,000,000 aggregate, subject to a maximum deductible \$10,000 per claim. The City of Unalaska has the right to negotiate increase of deductibles subject to acceptable financial information of the policyholder.

If Contractor maintains broader coverage and/or higher limits than the minimums shown above, the City of Unalaska, its officials, employees, volunteers or agents (collectively, "the City"), shall be entitled to the broader coverage and/or the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

6. Other Insurance may be required depending upon final scope of work.

All insurance policies as described above are required to be written on an "occurrence" basis. In the event occurrence coverage is not available, the Engineer agrees to maintain "claims made" coverage for a minimum of three years after project completion.

B. Additional Insurance Provisions

1. **Acceptability of Insurers and Cancellation Notification:** Contractor shall place coverage with insurance companies rated A-VIII by A.M. Best Company, or companies specifically approved by the City. These policies providing coverage shall contain provisions and endorsements stating that coverage shall not be suspended, voided, canceled, reduced in coverage or in limits except after thirty (30) days' prior written notice to the City of Unalaska.

2. **Additional insureds:** The City shall be covered as additional insured as respects liability arising out of contracted services performed by the Contractor. The coverage shall contain no special limitations on the scope of protection afforded to the City and this additional insured status must be endorsed upon the Commercial General Liability policy and Commercial Auto Liability Policy and any other policy where so allowed. This provision applies regardless of whether or not the City has received an additional insured endorsement from the insurer.

3. Primary Coverage: For any claims related to contracted services performed by the Contractor, Contractor's insurance coverage shall be primary coverage as respects the City. Any issuance of self-insurance maintained by the City shall be excess of Contractor's insurance and shall not contribute with it.

4. Waiver of Subrogation: There shall be no right of subrogation against the City for losses arising out of contracted services provided by Contractor by any insurer of Contractor or Subcontractors and this waiver of subrogation shall be endorsed upon the Commercial General Liability, Commercial Auto, and Workers' Compensation policies, and any other policies where so allowed. This provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

5. Deductibles and Self-Insured Retentions: Any deductibles or self-insured retentions shall be declared to and approved by the City. At the option of the City, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, or Contractor shall be required to procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expense.

6. Verification of Coverage: Before service begins Contractor shall furnish the City with Certificates of Insurance on standard Accord forms evidencing required insurance coverage, including all required amendatory endorsements. Failure to obtain the required certificates and endorsements prior to beginning service shall not waive Contractor's obligation to provide them and shall not affect the coverage provided to the City. Acceptance of Certificates of Insurance with deficient or erroneous coverage does not absolve Contractor from carrying and maintaining the required coverage.

Certificates of Insurance shall be prepared and emailed to:

Certificate Holder: City of Unalaska, Dept. of Public Utilities
P.O. Box 610, Unalaska
Unalaska, AK 99685

Email to: ehernandez@ci.unalaska.ak.us and risk@ci.unalaska.ak.us

The City reserves the right to request complete, certified copies of full insurance policies, including endorsements.

7. Sub-Contractors Coverage: If the Contractor employs Sub-Contractors to perform any work hereunder, the Contractor agrees to require such Sub-Contractors to obtain, carry, maintain, and keep in force during the time in which they are engaged in performing any work or service hereunder, policies of insurance which comply with all requirements. This requirement is applicable to Sub-Contractors of any tier. It is further agreed, that upon request by the City, the Contractor will provide copies of any and all Sub-Contractor certificates of insurance and endorsements for review of compliance.

8. Maintenance of Coverage: Failure by the Contractor to maintain the required insurance coverage or to comply with the above, may, at the option of the City, be deemed defective work and remedied in accordance with the service contract.

9. Notification of Change in Requirements: The City reserves the right to modify these insurance requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other circumstances, after 30 days prior written notification to Contractor.