



**PURCHASING ITEM  
FOR  
COUNCIL AGENDA**

1. Agenda Item Number:

**55**

2. Council Meeting Date:  
January 26, 2012

TO: **MAYOR & COUNCIL**

3. Date Prepared: January 11, 2012

THROUGH: **CITY MANAGER**

4. Requesting Department:  
Management Services

5. **SUBJECT:** Agreement for Financial Advisory Services with Piper Jaffray & Co.

6. **RECOMMENDATION:** Approval of Agreement for Financial Advisory Services with Piper Jaffray & Co.

7. **HISTORICAL BACKGROUND/DISCUSSION:** The City engages a financial advisor for their expertise in debt financing necessary for additions and improvements to the City's capital infrastructure. Services include the development of issuance strategies, preparation of official statement documents and management of relations with credit rating agencies, bond underwriters and trustees for the City's general obligation, street and highway, water and sewer revenue, excise tax and other municipal debt.

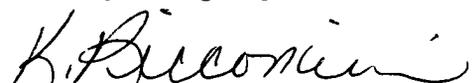
8. **EVALUATION PROCESS:** The term of the existing Agreement with Piper Jaffrey expires on March 31, 2012. To ensure continuity in critical services for the City's debt issuance and administration during transition in City staff and expected bond sales this summer and next, a new Agreement with Piper Jaffrey for a term of two years is recommended.

9. **FINANCIAL IMPLICATIONS:** Financial advisory fees associated with bond sales and incidental expenses related to a bond issue will be paid from bond proceeds. Advisory fees for special projects that are not related to a specific bond transaction will be charged an hourly fee per the agreement, if the project requires four (4) or more hours of work/research.

10. **PROPOSED MOTION:** Move to approve Agreement for Financial Advisory Services with Piper Jaffray & Co.

**APPROVALS**

11. Requesting Department

  
Kathy Riccomini, Sr. Executive Asst.

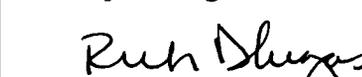
12. Department Head

  
Dennis Strachota, Management Services Director

13. Procurement Officer

  
Sharon Brause, CPPB, CPCP

14. City Manager

  
Rich Dlugas

**CITY OF CHANDLER  
PROFESSIONAL SERVICES AGREEMENT  
FINANCIAL ADVISORY SERVICES**

THIS AGREEMENT is made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2012, by and between the City of Chandler, a Municipal Corporation of the State of Arizona, hereinafter referred to as "CITY", and Piper Jaffrey & Co. , hereinafter referred to as "CONSULTANT".

WHEREAS, the Mayor and City Council of the City of Chandler is authorized and empowered by provisions of the City Charter to execute contracts for professional services; and

WHEREAS, CONSULTANT represents that CONSULTANT has the expertise and is qualified to perform the services described in the Agreement.

NOW THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties hereto agree as follows:

**1. CONTRACT ADMINISTRATOR**

1.1. To provide the professional services required by this Agreement CONSULTANT shall act under the authority and approval of Management Services Director or designee, (the Contract Administrator), who shall oversee the execution of this Agreement, assist the CONSULTANT with any necessary information, audit billings, and approve payments. The CONSULTANT shall channel reports and special requests through the Contract Administrator.

1.2. CITY reserves the right to review and approve any/all changes to CONSULTANT'S key staff assigned to the CITY project by the firm during the term of this Agreement.

2. **SCOPE OF WORK:** CONSULTANT shall provide those services described in Exhibit B attached hereto and made a part hereof by reference.

3. **ACCEPTANCE AND DOCUMENTATION:** Each task shall be reviewed and approved by CITY to determine acceptable completion. All documents, including but not limited to, data compilations, studies, and reports which are prepared in the performance of this Agreement, shall be and remain the property of CITY and shall be delivered to CITY before final payment is made to CONSULTANT.

4. **FEE SCHEDULE:** For the services described in paragraph 2 of this Agreement, CITY shall pay CONSULTANT in accordance with the fee schedule attached hereto as Exhibit C and incorporated herein by reference.

5. **TERM:** The term of the Agreement is TWO years commencing on April 1, 2012 unless sooner terminated in accordance with the provisions therein. The CITY may unilaterally extend the Agreement up to 31 days.

**6. TERMINATION:**

6.1. **Termination for Convenience:** CITY reserves the right to terminate this Contract or any part thereof for its sole convenience with thirty (30) days written notice. In the event of such termination, CONTRACTOR shall immediately stop all work hereunder, and shall immediately cause any of its suppliers and

subcontractors to cease such work. As compensation in full for services performed to the date of such termination, the CONTRACTOR shall receive a fee for the percentage of services actually performed. This fee shall be in the amount to be mutually agreed upon by the CONTRACTOR and CITY, based on the agreed Scope of Work. If there is no mutual agreement, the Management Services Director shall determine the percentage of work performed for each task detailed in the Scope of Work and the CONTRACTOR's compensation shall be based upon such determination and CONTRACTOR's fee scheduled included herein.

**6.2 Termination for Cause:** City may terminate this Contract for Cause upon the occurrence of any one or more of the following events:

- 1) If CONSULTANT fails to perform pursuant to the terms of this Agreement
- 2) If CONSULTANT is adjudged a bankrupt or insolvent;
- 3) If CONSULTANT makes a general assignment for the benefit of creditors;
- 4) If a trustee or receiver is appointed for CONSULTANT or for any of CONSULTANT'S property;
- 5) If CONSULTANT files a petition to take advantage of any debtor's act, or to reorganize under the bankruptcy or similar laws;
- 6) If CONSULTANT disregards laws, ordinances, rules, regulations or orders of any public body having jurisdiction;
- 7) Where Agreement has been so terminated by CITY, the termination shall not affect any rights of CITY against CONSULTANT then existing or which may thereafter accrue.

**6.3. Availability of Funds for the next Fiscal Year.** Funds may not presently be available under this agreement beyond the current fiscal year. No legal liability on the part of the CITY for services may arise under this agreement beyond the current fiscal year until funds are made available for performance of this agreement. The CITY may reduce services or terminate this agreement without further recourse, obligation, or penalty in the event that insufficient funds are appropriated. The City Manager shall have the sole and unfettered discretion in determining the availability of funds.

**7. INDEMNIFICATION:** The Consultant agrees to indemnify, defend, and save harmless the City of Chandler, its Mayor and Council, appointed boards and commissions, officials, officers, employees, individually and collectively; from all losses, claims, suits, actions, payments and judgments, demands, expenses, attorney's fees, defense costs, or actions of any kind and nature resulting from personal injury to any person, including employees of the Consultant or of any Sub Consultant employed by the Consultant (including bodily injury and death) or damages to any property, arising or alleged to have arisen out of the negligent performance of the Consultant for the work to be performed hereunder, except any such injury or damages arising out of the sole negligence of the City, its officers, agents or employees. IT IS THE INTENTION OF THE PARTIES to this contract that the City of Chandler, its Mayor and Council, appointed boards and

commissions, officials, officers, employees, individually and collectively, are to be indemnified against their own negligence unless and except their negligence is found to be the sole cause of the injury to persons or damages to property.

The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

8. **INSURANCE REQUIREMENTS:** CONSULTANT shall provide and maintain the insurance as listed in Exhibit D attached hereto and made a part hereof by reference.
9. **ENTIRE AGREEMENT:** This Agreement constitutes the entire understanding of the parties and supersedes all previous representations, written or oral, with respect to the services specified herein. This Agreement may not be modified or amended except by a written document, signed by authorized representatives or each party.
10. **ARIZONA LAW:** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.
  - 10.1 Pursuant to the provisions of A.R.S. § 41-4401, the Contractor hereby warrants to the City that the Contractor and each of its subcontractors ("Subcontractors") will comply with all Federal Immigration laws and regulations that relate to the immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. §23-214(A) (hereinafter "Contractor Immigration Warranty").
  - 10.2 A breach of the Contractor Immigration Warranty (Exhibit A) shall constitute a material breach of this Contract that is subject to penalties up to and including termination of the contract.
  - 10.3 The City retains the legal right to inspect the papers of any Contractor or Subcontractor employee who works on this Contract to ensure that the Contractor or Subcontractor is complying with the Contractor Immigration Warranty. The Contractor agrees to assist the City in the conduct of any such inspections.
  - 10.4 The City may, at its sole discretion, conduct random verifications of the employment records of the Contractor and any Subcontractors to ensure compliance with Contractors Immigration Warranty. The Contractor agrees to assist the City in performing any such random verifications.
  - 10.5 The provisions of this Article must be included in any contract the Contractor enters into with any and all of its subcontractors who provide services under this Contract or any subcontract. "Services" are defined as furnishing labor, time or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building or transportation facility or improvement to real property.
  - 10.6 In accordance with A.R.S. §35-393.06, the Contractor hereby certifies that the offeror does not have scrutinized business operations in Iran.
  - 10.7 In accordance with A.R.S. §35-391.06 the Contractor hereby certifies that the offeror does not have scrutinized business operations in Sudan.
11. **CONFLICT OF INTEREST:**
  - 11.1 **No Kickback.** CONTRACTOR warrants that no person has been employed or retained to solicit or secure the Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee; and that no member of the City Council or any employee of the CITY has any interest, financially or otherwise, in the

firm unless this interest has been declared pursuant to the provisions of A.R.S. section 38-501. Any such interests were disclosed in CONTRACTOR'S proposal to the CITY.

- 11.2 Kickback Termination.** CITY may cancel any contract or agreement, without penalty or obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the CITY is, at any time while the Agreement or any extension of the Agreement is in effect, an employee of any other party to the Agreement in any capacity or a CONTRACTOR to any other party to the Agreement with respect to the subject matter of the Agreement. The cancellation shall be effective when written notice for CITY is received by all other parties, unless the notice specifies a later time (A.R.S. 38-511).
- 11.3 No Conflict.** CONTRACTOR stipulates that its officers and employees do not now have a conflict of interest and it further agrees for itself, its officers and its employees that it will not contract for or accept employment for the performance of any work or services with any individual business, corporation or government unit that would create a conflict of interest in the performance of its obligations pursuant to this project.
- 11.4 Alternative Dispute Resolution.** The parties hereby agree that there shall be a sixty (60) day moratorium on litigation commencing on the day that a claim is filed by CONTRACTOR pursuant to A.R.S. § 12-821.01 during which time the parties will negotiate in good faith to resolve the dispute and evaluate the viability of pursuing alternative dispute resolution procedures such as mediation and arbitration.
- 11.5 Arizona Law.** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.
- 11.6 Jurisdiction and Venue.** The parties agree that this Agreement is made in and shall be performed in Maricopa County. Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Maricopa County in the State of Arizona, which shall have exclusive jurisdiction over such lawsuits.
- 11.7 Fees and Costs.** Except as otherwise agreed by the parties, the prevailing party in any adjudicated dispute relating to this Agreement is entitled to an award of reasonable attorney's fees, expert witness fees and costs including, as applicable, arbitrator fees; provided, however, that no award of attorney's fees shall exceed ten percent (10%) of the damages awarded the prevailing party unless the non-prevailing party has been determined to have acted in bad faith or in a frivolous manner during the adjudication.
- 12. NOTICES:** All notices or demands required to be given pursuant to the terms of this Agreement shall be given to the other party in writing, delivered by hand or registered or certified mail, at the addresses set forth below, or to such other address as the parties may substitute by written notice given in the manner prescribed in this paragraph.

In the case of CITY:  
Contractor Administrator:  
Management Services Director  
Contact: Kathy Riccomini  
Address: P.O. Box 4008, Mail Stop 901  
City, State, Zip: Chandler, AZ 85244-4008  
Phone: 480-782-2250

In the case of CONSULTANT:  
Firm Name: Piper Jaffrey & Co.  
Contact: William C. Davis  
Address: 2525 E. Camelback Rd.  
City, State, Zip: Phoenix, AZ 85016  
Phone: 602-808-5428

Notices shall be deemed received on date delivered, if delivered by hand, and on the delivery date indicated on receipt if delivered by certified or registered mail.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names to this 18<sup>th</sup>  
day of January, 2012.  
CITY OF CHANDLER

\_\_\_\_\_  
Date

CONSULTANT

By: William C. Davis  
Title: Managing Director

APPROVE AS TO FORM

\_\_\_\_\_  
City Attorney pk

ATTEST: If Corporation  
Suzanne McKezie  
Secretary

ATTEST:  
\_\_\_\_\_  
City Clerk

SEAL

**EXHIBIT A**

**Contractor Immigration Warranty  
To Be Completed by Contractor Prior to Execution of Contract**

A.R.S. § 41-4401 requires as a condition of your contract verification of compliance by the contractor and subcontractors with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of its employees.

By completing and signing this form the contractor shall attest that it and all subcontractors performing work under the cited contract meet all conditions contained herein.

<b>Contract Number:</b>		
<b>Name (as listed in the contract):</b>		
<b>Street Name and Number:</b>		
<b>City:</b>	<b>State:</b>	<b>Zip Code:</b>

I hereby attest that:

1. The contractor complies with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of those employees performing work under this contract;
2. All subcontractors performing work under this contract comply with the Federal Immigration and Nationality Act (FINA), all other Federal immigration laws and regulations, and A.R.S. § 23-214 related to the immigration status of their employees.

**Signature of Contractor (Employer) or Authorized Designee:**

\_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date (month/day/year):** \_\_\_\_\_

## **EXHIBIT B**

### **SCOPE OF WORK**

**Scope:**

The CONSULTANT shall provide financial advisory services including, but not limited to:

A. For each debt issue, the Contractor shall:

- (1) Provide advice and assistance in planning debt issues, determining the principal amount of debt to be sold, maturity schedules, call and put features and premiums, acceptable risk and legal constraints and taking into account the CITY'S overall financial program. Identify and analyze key issues associated with pending bond sale.
- (2) Monitor and provide advice concerning bond-refunding opportunities.
- (3) Analyze the market conditions prior to, during and subsequent to the sale of bonds. Summarize the reception of the bonds in the market and evaluate performance relative to the market and other securities of similar credit.
- (4) Assist and advise in debt structuring and/or restructuring decisions, the development of debt limits, debt service coverage ratios, reserve funds or other debt policies as requested.
- (5) Assist in the marketing and sale of bonds. In a competitive sale, provide recommendation of the firms to whom the bid form should be sent, the timing of the sale; attend debt issue bid openings and assist CITY staff in evaluating bids.
- (6) Prepare preliminary and offering statements for each sale for CITY staff and bond counsel review, provide evaluation and editorial review of tables and sections of test for offering statements and notices of sale prepared by CITY staff and special consultants, print and mail offering statements to prospective bidders, provide explanation and interpretation of the CITY'S offerings to prospective bidders in the municipal securities markets, prepare bond sale documents, bid information and other relevant financing documents.
- (7) Arrange for bond closings with successful bidder, registrar and trustee; bond counsel and CITY staff, including instructions for closing. If requested by the CITY, attend such closings.
- (8) Solicit bids from financial printers for sale of bonds on behalf of the CITY; analyze the responses and provide a recommendation.
- (9) Maintain copies of all transcripts.
- (10) Maintain and provide the CITY with comprehensive records of all outstanding debt (including refunded amounts) and their associated debt service schedules in the form of an Annual Debt Position Manual. The manual will be due to the CITY no later than the first business day of August of the applicable year.

(11) Make necessary arrangements with, and prepare materials for, the rating agencies with CITY staff, and act as liaison with rating agencies in conjunction with the CITY, attend meetings.

(12) Assist and advise in the preparation of bond elections. If requested by CITY, attend meetings.

**B. General Services:**

(1) Analyze specific potential capital projects or proposed financing of such.

(2) Review and advise on various projects involving potential CITY financing as requested by CITY staff. Work directly with staff, bond counsel, independent auditors, or special consultants in developing financial programs and marketing instruments.

(3) Assist in the development of capital improvement plan including debt capacity constraints.

(4) Evaluate financing options that do not include the sale of debt obligations.

(5) Provide general advice on tax issues, particularly compliance with respect to arbitrage rebate, but not including any arbitrage rebate calculations.

(6) Suggest investment strategy for the issuer's idle funds.

(7) Create a detailed schedule of events for the issuer's financing programs.

(8) Assist in the acquisition of security/credit enhancement products and evaluation of the cost to benefit relationship of credit enhancement.

(9) Coordinate those necessary activities of a legal nature with the CITY'S designated bond counsel.

**Key Personnel for CONSULTANT:**

Josh Ormiston, Assistant Vice President

Bill Davis, Managing Director – Lead Consultant-Day to Day

Logan McKenzie, Associate – Banking Support

Carol Milford, Admin. Asst. – Day to Day

**EXHIBIT C**  
**FEE SCHEDULE**

**Fixed Fee per Bond Sale**

<b><u>Issue Type</u></b>	<b><u>Proposed Fee</u></b>
General Obligation Bonds	\$25,000
Street and Highway User Revenue Bonds	\$25,000
Water Revenue Bonds	\$25,000
MPC Bonds	\$30,000
Community Facilities District (CFDs)	\$35,000
Improvement Districts	\$15,000
Refunding Bonds	\$35,000

Incidental expenses related to a bond issue will include such fees as bond counsel, official statement preparation and distribution, rating agency fees, trustee/bond registrar and paying agent services, and verification services and miscellaneous expenses for travel, express charges, photocopying, etc. These costs would normally be paid from bond proceeds. All bond issue related expenses, including official statement, preparation expenses, will be pre-approved by the CITY prior to payment. Out of pocket expenses for express charges, photocopying and in state travel and meals are capped at \$750/bond issue. All out of state travel expenses and other incidental expenses will be pre-approved by the CITY in advance. To ensure that incidental costs are kept to a minimum, the CONSULTANT will bid out (on behalf of and in conjunction with the CITY) for services for incidental expenses such as Official Statement preparation, Verification Agent Services and Registrar/Paying Agent Services.

For advisory services that are not related to a specific bond transaction, we propose the following fee schedule:

<b><u>Advisory Fee</u></b>	<b><u>Individual</u></b>
\$195/hr.	Vice President and above
\$95/hr.	Associate/Administrative Asst.

This hourly structure is intended to be the basis for special projects or endeavors requested by the CITY. Special projects are those which require four hours or more of work/research and the preparation of written responses or presentations.

**EXHIBIT D**  
**INSURANCE REQUIREMENTS**

1. CONSULTANT, at its own expense, shall purchase and maintain insurance of the types and amounts required in this section, with companies possessing a current A.M. Best, Inc. rating of B++6, or better and legally authorized to do business in the State of Arizona with policies and forms satisfactory to CITY.
2. Policies written on a "Claims made" basis are not acceptable without written permission from the City's Risk Manager. Provided, however, the City hereby provides pre-approval for Consultant to maintain any professional liability policies on a "claims made" basis during the life of this Agreement.
3. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of CITY, constitute a material breach of this Agreement and may result in termination of this contract.
4. If any of the insurance policies are not renewed prior to expiration, payments to the CONSULTANT may be withheld until these requirements have been met, or at the option of the City, the City may pay the Renewal Premium and withhold such payments from any monies due the CONSULTANT.
5. All insurance policies, except Workers' Compensation and Professional Liability required by this Agreement, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this contract, the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insureds.
6. CONSULTANT's insurance shall be primary insurance over any insurance available to the CITY and as to any claims resulting from this contract, it being the intention of the parties that the insurance policies so effected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.
7. The insurance policies, except Workers' Compensation, shall contain a waiver of transfer rights of recovery (subrogation) against CITY, its agents, representatives, officers, directors, officials and employees for any claims arising out of CONSULTANT's acts, errors, mistakes, omissions, work or service.
8. The insurance policies may provide coverage, which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall be assumed by and be for the account of, and at the sole risk of CONSULTANT. CONSULTANT shall be solely responsible for the deductible and/or self-insured retention. ..
9. Intentionally omitted.
10. If claim activity causes the coverage limits to fall below the prescribed limits in this Agreement, information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by the CONSULTANT with reasonable promptness in accordance with the CONSULTANT's information and belief. Consultant is not required to report claim activity which does not affect the availability of coverages required by this Agreement.
11. In the event that claims in excess of the insured amounts provided herein, are filed by reason of any operations under this contract, the amount of excess of such claims, or any portion thereof, may be withheld from payment due or to become due the CONSULTANT

until such time as the CONSULTANT shall furnish such additional security covering such claims as may be determined by the CITY.

#### C.1 PROOF OF INSURANCE - CERTIFICATES OF INSURANCE

1. Prior to commencing work or services under this Agreement, CONSULTANT shall furnish to CITY Certificates of Insurance, issued by CONSULTANT's insurer(s) or broker(s), as evidence that policies providing the required coverages, conditions and limits required by this Agreement are in full force and effect and obtain from the City's Risk Management Division approval of such Certificates.
2. If a policy does expire during the life of this Agreement, a renewal certificate must be sent to the City of Chandler as soon as practicable but in any event no later than five (5) days after the expiration date.
3. All Certificates of Insurance shall identify the policies in effect on behalf of CONSULTANT, their policy period(s), and limits of liability. Each Certificate shall include the job site and project number and title. Coverage shown on the Certificate of Insurance must coincide with the requirements in the text of the contract documents. Information required to be on the certificate of Insurance may be typed on the reverse of the Certificate and countersigned by an authorized representative of the insurance company.
4. In the event of a claim arising out of the performance of the contracted services under this agreement and which names Chandler or its agents, representatives, officers, directors, officials or employees as a codefendant, Consultant agrees to make the applicable insurance policy available for review in a secured format.

#### C.2 REQUIRED COVERAGE

1. Such insurance shall protect CONSULTANT from claims set forth below which may arise out of or result from the operations of CONSULTANT under this Contract and for which CONSULTANT may be legally liable, whether such operations be by the CONSULTANT or by a Sub-consultant or subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. .
2. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Work to be performed;
3. Claims for damages because of bodily injury, occupational sickness or disease, or death of the Contractor's employees;
4. Claims for damages because of bodily injury, sickness or disease, or death of any person other than the Contractor's employees;
5. Claims for damages insured by usual personal injury liability coverage;
6. Claims for damages, other than to Work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
7. Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle;
8. Claims for bodily injury or property damage arising out of completed operations;

9. Claims involving contractual liability insurance applicable to the Contractor's obligations under the Indemnification Agreement;
10. Claims for injury or damages in connection with one's professional services;
11. .

#### C.2.1 Commercial General Liability - Minimum Coverage Limits

The Commercial General Liability insurance required herein shall be written for not less than \$1,000,000 limits of liability. Any combination between general liability and excess general liability alone amounting to a minimum of \$1,000,000 per occurrence and an aggregate of \$2,000,000 in coverage will be acceptable. The Commercial General Liability additional insured endorsement shall include coverage for CONSULTANT's operations and products, and completed operations.

#### C.2.2 General Liability - Minimum Coverage Limits

The General Liability insurance required herein, including, Comprehensive Form, Premises-Operations, Products/Completed Operations, Contractual Insurance, Broad Form Property Damage, Independent Contractors, and Personal Injury shall be written for Bodily Injury and Property Damage Combined shall be written for not less than \$1,000,000 and with a \$2,000,000 aggregate.

#### C.2.3 Automobile Liability

CONSULTANT shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any owned, hired, and non-owned vehicles assigned to or used in performance of the CONSULTANT's work..

#### C.2.4 Worker's Compensation and Employer's Liability

CONSULTANT shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over CONSULTANT's employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease coverage for each employee, and \$1,000,000 disease policy limit.

In case any work is subcontracted, CONSULTANT will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of CONSULTANT.

#### C.2.5 Professional Liability

CONSULTANT shall maintain Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the work or services performed by DESIGN CONSULTANT, or any person employed by CONSULTANT, with a claims made policy limit of not less than \$1,000,000.

