

# REQUEST AUTHORIZATION FOR MAYOR AND FINANCE OFFICER TO SIGN PROFESSIONAL SERVICES AGREEMENT OR AMENDMENT

**Project Name & Number:** Minnekahta Drive Area Watermain and Sanitary Sewer Reconstruction      **CIP #:** 50826  
Project No. 11-1980

**Project Description:** To provide construction administration services.

**Consultant:** TSP, Inc.

<b>Original Contract Amount:</b> \$89,310.00	<b>Original Contract Date:</b> October 21, 2013	<b>Original Completion Date:</b> 90 days after construction complete
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**Addendum No:**

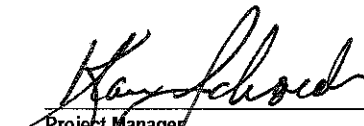
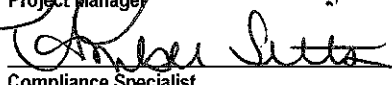
**Amendment Description:**

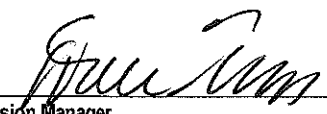
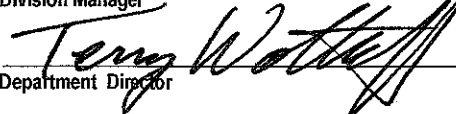
<b>Current Contract Amount:</b> _____	<b>Current Completion Date:</b> _____
<b>Change Requested:</b> _____	
<b>New Contract Amount:</b> _____ \$0.00	<b>New Completion Date:</b> _____

**Funding Source This Request:**

Amount	Dept.	Line Item	Fund	Comments
\$33,938.00	833	4223	604	
\$41,083.00	933	4223	602	
\$12,503.00	8910	4223	505	
\$1,786.00	8911	4223	505	
\$89,310.00	<b>Total</b>			

### Agreement Review & Approvals

	10/3/13
Project Manager	Date
	10/3/13
Compliance Specialist	Date
_____ City Attorney	Date

	10-8-13
Division Manager	Date
	10-8-13
Department Director	Date

**ROUTING INSTRUCTIONS**

Route **two** originals of the **Agreement** for review and signatures.  
 Finance Office - Retain one original  
 Project Manager - Retain second original for delivery to Consultant  
 cc: Public Works  
 Engineering  
 Project Manager

**FINANCE OFFICE USE ONLY**

(Note to Finance: Please write date of Agreement in appropriate space in the Agreement document)

Date	Initials	Approved
Appropriation		Y N
Cash Flow		Y N

**Agreement Between City of Rapid City and TSP for  
Construction Professional Services for Minnekahta Drive Area Water Main and  
Sanitary Sewer Reconstruction,  
Project No. 12-1980 / CIP No. 50826**

AGREEMENT made \_\_\_\_\_, 20\_\_\_\_, between the City of Rapid City, SD (City) and TSP, (Engineer), located at 600 Kansas City Street, Rapid City, SD 57702. City intends to obtain construction administration services for Minnekahta Drive Area Water Main and Sanitary Sewer Reconstruction, Project No. 12-1980 / CIP No. 50826. The scope of services is as described within this document and as further described in Exhibits A, B and C (attached).

The City and the Engineer agree as follows:

The Engineer shall provide professional engineering services for the City in all phases of the Project and as further defined in Exhibits A, B and C (attached), serve as the City's professional engineering representative for the Project, and give professional engineering consultation and advice to the City while performing its services.

**Section 1—Basic Services of Engineer**

**1.1 General**

- 1.1.1 The Engineer shall perform professional services described in this agreement, which include customary engineering services. Engineer intends to serve as the City's professional representative for those services as defined in this agreement and to provide advice and consultation to the City as a professional. Any opinions of probable project cost, approvals, and other decisions provided by Engineer for the City are rendered on the basis of experience and qualifications and represent Engineer's professional judgment.
- 1.1.2 All work shall be performed by or under the direct supervision of a professional Engineer licensed to practice in South Dakota.
- 1.1.3 All documents including Drawings and Specifications provided or furnished by Engineer pursuant to this Agreement are instruments of service in respect of the Project and Engineer shall retain an ownership therein. Reuse of any documents pertaining to this project by the City on extensions of this project or on any other project shall be at the City's risk. The City agrees to defend, indemnify, and hold harmless Engineer from all claims, damages, and expenses including attorney's fees arising out of such reuse of the documents by the City or by others acting through the City.



- 1.1.4 The contract will be based on an hourly rate and reimbursable fee schedule with a maximum not-to-exceed amount.

## 1.2 Scope of Work

The Engineer shall:

- 1.2.1 Consult with the City, other agencies, groups, consultants, and/or individuals to clarify and define requirements for the Project and review available data.
- 1.2.2 Perform the tasks described in the Scope of Services. (See Exhibit A.)
- 1.2.3 Conduct a location survey of the Project to the extent deemed necessary to provide adequate site information.
- 1.2.4 Prepare a report presenting the results of the study as outlined in the scope of services.

## Section 2—Information Provided by City

The City will provide any information in its possession for the project at no cost to the Engineer.

## Section 3—Notice to Proceed

The City will issue a written notification to the Engineer to proceed with the work. The Engineer shall not start work prior to receipt of the written notice. The Engineer shall not be paid for any work performed prior to receiving the Notice to Proceed.

## Section 4—Mutual Covenants

### 4.1 General

- 4.1.1 The Engineer shall not sublet or assign any part of the work under this Agreement without written authority from the City.
- 4.1.2 The City and the Engineer each binds itself and partners, successors, executors, administrators, assigns, and legal representatives to the other party to this agreement and to the partners, successors, executors, administrators, assigns, and legal representatives of such other party, regarding all covenants, agreements, and obligations of this agreement.
- 4.1.3 Nothing in this agreement shall give any rights or benefits to anyone other than the City and the Engineer.



- 4.1.4 This agreement constitutes the entire agreement between the City and the Engineer and supersedes all prior written or oral understandings. This agreement may only be amended, supplemented, modified, or canceled by a duly executed written instrument.
- 4.1.5 The Engineer shall make such revisions in plans which may already have been completed, approved, and accepted by the City, as are necessary to correct Engineer's errors or omissions in the plans, when requested to do so by the City, without extra compensation therefore.
- 4.1.6 If the City requests that previously satisfactorily completed and accepted plans or parts thereof be revised, the Engineer shall make the revisions requested by the City. This work shall be paid for as extra work.
- 4.1.7 If the City changes the location from the one furnished to the Engineer, or changes the basic design requiring a new survey for the portions so changed, the redesign will be paid for as extra work.
- 4.1.8 The City may at any time by written order make changes within the general scope of this Agreement in the work and services to be performed by the Engineer. Any changes which materially increase or reduce the cost of or the time required for the performance of the Agreement shall be deemed a change in the scope of work for which an adjustment shall be made in the Agreement price or of the time for performance, or both, and the Agreement shall be modified in writing accordingly. Additional work necessary due to the extension of project limits shall be paid for as extra work.
- 4.1.9 Extra work, as authorized by the City, will be paid for separately and be in addition to the consideration of this Section.
- 4.1.10 For those projects involving conceptual or process development services, activities often cannot be fully defined during the initial planning. As the project does progress, facts and conditions uncovered may reveal a change in direction that may alter the scope of services. Engineer will promptly inform the City in writing of such situations so that changes in this agreement can be renegotiated.
- 4.1.11 This Agreement may be terminated (a) by the City with or without cause upon seven days' written notice to the Engineer and (b) by the Engineer for cause upon seven days' written notice to the City. If the City terminates the agreement without cause, the Engineer will be



paid for all services rendered and all reimbursable expenses incurred prior to the date of termination.

If termination is due to the failure of the Engineer to fulfill its agreement obligations, the City may take over the work and complete it. In such case, the Engineer shall be liable to the City for any additional cost to the extent directly resulting from Engineer's action.

- 4.1.12 The City or its duly authorized representatives may examine any books, documents, papers, and records of the Engineer involving transactions related to this agreement for three years after final payment. All examinations will be performed at reasonable times, with proper notice. Engineer's documentation will be in a format consistent with general accounting procedures.
- 4.1.13 The City shall designate a representative authorized to act on the City's behalf with respect to the Project. The City or such authorized representative shall render decisions in a timely manner pertaining to documents submitted by the Engineer in order to avoid unreasonable delay in the orderly and sequential progress of the Engineer's services.
- 4.1.14 Costs and schedule commitments shall be subject to renegotiation for delays caused by the City's failure to provide specified facilities or information or for delays caused by other parties, excluding sub-contractors and sub-consultants, unpredictable occurrences including without limitation, fires, floods, riots, strikes, unavailability of labor or materials, delays or defaults by suppliers of materials or services, process shutdowns, acts of God, or the public enemy, or acts of regulations of any governmental agency or any other conditions or circumstances beyond the control of the City or Engineer. Temporary delays of services caused by any of the above which results in additional costs beyond those outlined may require renegotiation of this agreement.
- 4.1.15 The City will give prompt written notice to the Engineer if the City becomes aware of any fault or defect in the Project or nonconformance with the Project Documents.
- 4.1.16 Unless otherwise provided in this Agreement, the Engineer and the Engineer's consultants shall have no responsibility for the discovery, presence, handling, removal or disposal of, or exposure of persons to hazardous materials in any form at the project site, including but not limited to asbestos products, polychlorinated biphenyl (PCB), or other toxic substances.



- 4.1.17 In the event asbestos or toxic materials are encountered at the jobsite, or should it become known in any way that such materials may be present at the jobsite or any adjacent areas that may affect the performance of Engineer's services, Engineer may, at their option and without liability for consequential or any other damages, suspend performance of services on the project until the City retains appropriate specialist CONSULTANT(S) or contractor(s) to identify, abate, and/or remove the asbestos or hazardous or toxic materials.
- 4.1.18 This agreement, unless explicitly indicated in writing, shall not be construed as giving Engineer the responsibility or authority to direct or supervise construction means, methods, techniques, sequences, or procedures of construction selected by any contractors or subcontractors or the safety precautions and programs incident to the work of any contractors or subcontractors.
- 4.1.19 Neither the City nor the Engineer, nor its Consultants, shall hold the other liable for any claim based upon, arising out of, or in any way involving the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, or gases, waste materials, or other irritants, contaminants, or pollutants.
- 4.1.20 Neither the City nor the Engineer, nor its Consultants, shall hold the other liable for any claim based upon, arising out of, or any way involving the specification or recommendation of asbestos, in any form, or any claims based upon use of a product containing asbestos.
- 4.1.21 Engineer hereby represents and warrants that it does not fail or refuse to collect or remit South Dakota or City sales or use tax for transactions which are taxable under the laws of the State of South Dakota.

#### 4.2 **City of Rapid City NonDiscrimination Policy Statement**

In compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination act of 1975, the Americans with Disabilities Act of 1990, and other nondiscrimination authorities it is the policy of the City of Rapid City, 300 Sixth Street, Rapid City, SD 57701-5035, to provide benefits, services, and employment to all persons without regard to race, color, national origin, sex, disabilities/handicaps, age, or income status. No distinction is made among any persons in eligibility for the reception of benefits and services provided by or through the auspices of the City of Rapid City.

Engineer will permit access to any and all records pertaining to hiring and employment and to other pertinent data and records for the purpose of enabling the Commission, its agencies or representatives, to ascertain compliance with the above provisions.



This section shall be binding on all subcontractors or suppliers.

## **Section 5—Payments to the Engineer**

### **5.1 Schedule of Pay Rates**

The City will pay the Engineer for services rendered or authorized extra work according to the Engineer's hourly and reimbursable rate schedule described in Exhibit C.

### **5.2 Fee**

The maximum amount of the fee for the services as detailed in Section 1.2 shall not exceed \$89,310.00 unless the scope of the project is changed as outlined in Section 4. If expenses exceed the maximum amount, the Engineer shall complete the design as agreed upon here without any additional compensation. Sub task dollar amounts may be reallocated to other tasks as long as the total fee is not exceeded. Prime consultant may not mark up sub-consultant or sub-contractor services.

### **5.3 Progress Payments**

Monthly progress payments shall be processed by the City upon receipt of the claim as computed by the Engineer based on work completed during the month per the hourly rates and allowable reimbursable as established in Section 5.1 and approved by the City.

Net payment to the Engineer shall be due within forty-five (45) days of receipt by the City.

## **Section 6—Completion of Services**

The Engineer shall complete services on or before 90 days after construction is complete.

## **Section 7—Insurance Requirements**

### **7.1 Insurance Required**

The Engineer shall secure the insurance specified below. The insurance shall be issued by insurance company(s) acceptable to the City and may be in a policy or policies of insurance, primary or excess. Certificates of all required insurance including any policy endorsements shall be provided to the City prior to or upon the execution of this Agreement.



## 7.2 Cancellation

The Engineer will provide the City with at least 30 days' written notice of an insurer's intent to cancel or not renew any of the insurance coverage. The Contractor agrees to hold the City harmless from any liability, including additional premium due because of the Contractor's failure to maintain the coverage limits required.

## 7.3 City Acceptance of Proof

The City's approval or acceptance of certificates of insurance does not constitute City assumption of responsibility for the validity of any insurance policies nor does the City represent that the coverages and limits described in this agreement are adequate to protect the Engineer, its consultants or subcontractors interests, and assumes no liability therefore. The Engineer will hold the City harmless from any liability, including additional premium due, because of the Engineer's failure to maintain the coverage limits required.

## 7.4 Specific Requirements

- 7.4.1 Workers' compensation insurance with statutory limits required by South Dakota law. Coverage B-Employer's Liability coverage of not less than \$500,000 each accident, \$500,000 disease-policy limit, and \$500,000 disease-each employee.
- 7.4.2 Commercial general liability insurance providing occurrence form contractual, personal injury, bodily injury and property damage liability coverage with limits of not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate, and \$2,000,000 aggregate products and completed operations. If the occurrence form is not available, claims-made coverage shall be maintained for three years after completion of the terms of this agreement. The policy shall name the City and its representatives as an additional insured.
- 7.4.3 Automobile liability insurance covering all owned, nonowned, and hired automobiles, trucks, and trailers. The coverage shall be at least as broad as that found in the standard comprehensive automobile liability policy with limits of not less than \$1,000,000 combined single limit each occurrence. The required limit may include excess liability (umbrella) coverage.
- 7.4.4 Professional liability insurance providing claims-made coverage for claims arising from the negligent acts, errors or omissions of the Engineer or its consultants, of not less than \$1,000,000 each occurrence and not less than \$1,000,000 annual aggregate.





Coverage shall be maintained for at least three years after final completion of the services.

### **Section 8—Hold Harmless**

The Engineer hereby agrees to hold the City harmless from any and all claims or liability including attorneys' fees arising out of the professional services furnished under this Agreement, and for bodily injury or property damage arising out of services furnished under this Agreement, providing that such claims or liability are the result of a negligent act, error or omission of the Engineer and/or its employees/agents arising out of the professional services described in the Agreement.

### **Section 9—Independent Business**

The parties agree that the Engineer operates an independent business and is contracting to do work according to his own methods, without being subject to the control of the City, except as to the product or the result of the work. The relationship between the City and the Engineer shall be that as between an independent contractor and the City and not as an employer-employee relationship. The payment to the Engineer is inclusive of any use, excise, income or any other tax arising out of this agreement.

### **Section 10-Indemnification**

If this project involves construction and Engineer does not provide consulting services during construction including, but not limited to, onsite monitoring, site visits, site observation, shop drawing review and/or design clarifications, City agrees to indemnify and hold harmless Engineer from any liability arising from the construction activities undertaken for this project, except to the extent such liability is caused by Engineer's negligence.

### **Section 11-Controlling Law and Venue**

This Agreement shall be subject to, interpreted and enforced according to the laws of the State of South Dakota, without regard to any conflicts of law provisions. Parties agree to submit to the exclusive venue and jurisdiction of the State of South Dakota, 7<sup>th</sup> Judicial Circuit, Pennington County.

### **Section 12-Severability**

Any unenforceable provision herein shall be amended to the extent necessary to make it enforceable; if not possible, it shall be deleted and all other provisions shall remain in full force and effect.



**Section 13—Funds Appropriation**

If funds are not budgeted or appropriated for any fiscal year for services provided by the terms of this agreement, this agreement shall impose no obligation on the City for payment. This agreement is null and void except as to annual payments herein agreed upon for which funds have been budgeted or appropriated, and no right of action or damage shall accrue to the benefit of the Engineer, its successors or assignees, for any further payments. For future phases of this or any project, project components not identified within this contract shall not constitute an obligation by the City until funding for that component has been appropriated.

IN WITNESS WHEREOF, the parties hereto have made and executed this Agreement as of the day and year first above written.

**City of Rapid City:**

**Engineer:**

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
TSP

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

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

ATTEST:

\_\_\_\_\_  
FINANCE OFFICER

**Reviewed By:**

*Klare Schroeder*  
\_\_\_\_\_  
KLARE SCHROEDER, PROJECT MANAGER

DATE: 10/3/13

CITY'S DESIGNATED PROJECT  
REPRESENTATIVE

ENGINEERING FIRM'S DESIGNATED  
PROJECT REPRESENTATIVE

NAME Klare Schroeder, P.E.  
PHONE 605-394-4154  
EMAIL klare.schroeder@rcgov.org

NAME Don Wrede, P.E.  
PHONE 605-343-6102  
EMAIL wrededc@teamtsp.com



## Exhibit A

### MINNEKAHTA DRIVE AREA WATERMAIN AND SANITARY SEWER RECONSTRUCTION

City of Rapid City Project No. 12-1980/CIP No. 50826

#### SCOPE OF SERVICES TO BE PROVIDED

Professional services consist of two Tasks: Basic Construction Services and Expanded Construction Services.

##### TASK 4 – BASIC CONSTRUCTION SERVICES

This task consists of all services necessary for the administration of the Basic Construction Services of the project construction stage, and may include the following itemized services.

- 4.3 Arrange and conduct a Pre-Construction Conference, including preparation of an agenda.
- 4.4 Provide written clarification regarding drawing and specification questions.
- 4.5 Review and take action on shop drawings, product submittals, test results, and other submittals.
- 4.6 Prepare “As-Built” Plans and specifications.

##### TASK 5 – EXPANDED CONSTRUCTION SERVICES

This task consists of all services necessary for the administration of the Expanded Construction Services of the project construction stage, and may include the following itemized services.

- 5.2 Prepare Public Service Announcements
- 5.3 Notification of affected property owners.
- 5.4 Arrange and conduct appropriate progress meetings. Record minutes and distribute to all attendees.
- 5.5 Provide daily on-site observations to assure that the methods and materials and methods used by the Contractor meet the intent of the plans and specifications. For buried installations such as for sewer and water mains, Consultant will be on site all of the time the Contractor is installing these buried installations.
- 5.6 Prepare daily reports. A daily record of activity will be maintained by the inspector including weather conditions, construction progress, deviations from the plans and specifications, work performed, quantities installed and any other pertinent information. Such information will be neatly and concisely entered into the City of Rapid City Project Inspector’s Diary and Inspection quantity book. Detachable copies will be submitted to Engineering Services on a weekly basis.

- 5.7 Perform stormwater inspections, prepare reports, and keep the erosion and sediment control plans current as required by the ordinance regulating construction site runoff control, Chapter 8.46, and the Stormwater Quality manual.
- 5.10 Prepare and submit monthly pay request information.
- 5.11 Prepare change orders, and extra work orders for Contractor on city of Rapid City forms and make recommendations for their approval or denial.
- 5.12 Prepare and submit project completion punch list items to the Contractor and Engineering Services and oversee its completion.
- 5.13 Prepare and submit a City of Rapid City project "Construction project Close-out Checklist" indicating compliance with the Standard Specifications and acceptance of the various infrastructure components. The Consultant will be responsible for coordinating completion of the checklist items with the Contractor.
- 5.14 Prepare letter of certification of project completion verifying compliance with the plans and specifications and start of warranty period.
- 5.15 Prepare a letter to the SDDENR notifying them of project completion.
- 5.16 Ensure Contractor's two-year warranty surety is provided to the City of Rapid City either within the performance bond or as a separate bond.
- 5.17 Assist the City in addressing and communicating warranty items with the Contractor that may arise during the City's two year warranty period.

DATE:10/1/2013

**RE: Minnekahta Drive Area Watermain Reconstruction  
Project No. 11-1980 / CIP No. 50826**

**EXHIBIT B  
ESTIMATED MANHOURS FOR TASKS 4 & 5**

PREPARED BY: TSP, INC.  
TSP NO. 3120845.00

PREPARED FOR: City of Rapid

Item	DESCRIPTION	Total Hours	Total Fee
4.1	Review construction contract documents and submit to City Project Manager for distribution to City Attorney's office for approval and signatures of the Mayor and Finance Officer - <b>N/A</b>		\$0.00
4.2	Prepare Notice to Proceed for City PM and distribute to contractor- <b>N/A</b>		\$0.00
4.3	Arrange and conduct a Pre-Construction Conference, including agenda	11	\$1,130.00
4.4	Provide written clarification regarding drawing and spec. questions	5	\$500.00
4.5	Review and take action on shop drawings, product submittals, test results, and other submittals - 1hr/wk	36	\$3,400.00
4.6	Prepare "AS-Built" plans and specifications	24	\$1,920.00
Other		0	\$0.00
		0	\$0.00
	<b>Sub-total Hours</b>	76	
	<b>Subtotal Task 4 CA/CO Fees</b>	\$6,950.00	\$6,950.00

**Task 5 - Expanded Construction Services**

5.1	Mark removal limits - <b>N/A</b>	0	\$0.00
5.2	Prepare PSA's	8	\$720.00
5.3	Notify affected Property Owners - 1nr. / wk x 24	28	\$2,480.00
5.4	Conduct progress meetings / minutes- 2 hrs/wk x 30	72	\$6,680.00
5.5	Daily on-site observation- 3 hrs / day x 30 wk	453	\$41,070.00
5.6	Daily reports - approx. .5 hr /day x 30 wks	88	\$7,840.00
5.7	Stormwater inspections, reports, etc.- 1 hr/wk x 30	34	\$3,020.00
5.8	Provide soil compaction testing - <b>N/A</b>	0	\$0.00
5.9	Provide assurance testing - <b>N/A</b>	0	\$0.00
5.10	Prepare monthly pay request -8 x 3 hr / request	34	\$3,040.00
5.11	Prepare change orders, extra work, etc.- 4 hrs/m x 8	42	\$3,900.00
5.12	Prepare punch list	12	\$1,120.00
5.13	Prepare "Construction Project Close-out Checklist"	13	\$1,160.00
5.14	Prepare letter of certification	2	\$180.00
5.15	Prepare letter to SDDENR on completion	5	\$550.00
5.16	Ensure Contractor's 2-year warranty surity has been sent	1	\$90.00
5.17	Assist City in communicating warranty items	1	\$90.00
Other		0	\$0.00
		0	\$0.00
		0	\$0.00
	<b>Sub-total Hours</b>	793	
	<b>Subtotal Task 5 CA/CO Fees</b>	\$71,940.00	\$71,940.00

<b>TASK 4 &amp; 5 - TOTAL CONSTRUCTION PHASE HOURS</b>	<b>869</b>
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<b>TOTAL Construction Phase Cost</b>	<b>\$78,890.00</b>
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<b>Total Estimated CA/CO Hours</b>	<b>869</b>
<b>Total Estimated CA/CO Labor Cost</b>	<b>\$78,890.00</b>

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**Task 4 & 5 Reimbursable Expenses**

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Sub Consultants	
Renner Associates	
AET	\$9,670.00
Printing	
Mileage/ Meals 1500 mi @ \$0.50	\$750.00
<b>Total</b>	<b>\$10,420.00</b>

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<b>TOTAL</b>	
<b>TASKS 4 &amp; 5</b>	<b>\$89,310.00</b>



To Solve. To Excel. Together

## EXHIBIT C

### 2012 TSP STANDARD BILLING RATES

<u>Professional Labor Category</u>	<u>Rates</u>
Project Manager	\$190.00
Senior Civil Engineer PE	\$120.00
Civil Engineer PE	\$ 90.00
Civil EIT/Designer	\$ 80.00
Senior Electrical Engineer PE	\$140.00
Electrical EIT/Designer	\$ 80.00
Senior Mechanical Engineer PE	\$130.00
Mechanical EIT/Designer	\$ 80.00
CADD/Drafter	\$ 75.00
Administration	\$ 80.00